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BRANDING STRATEGIES OF BORN GLOBAL
A case study of a Finnish Firm

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ABSTRACT

Born globals are special kind of firms that expands into the global markets quite rapidly after their inception. Branding strategies of born globals have not been explored up to sufficient extent in the literature. For this reason the main purpose of this study is to explore how born global firm utilizes branding strategies during their growth stages. Three objectives have been discussed in this regard. The first objective is to define born global concept and different growth stages of born-global firm. Second objective is to identify the brand decision process and to study different types of branding strategies. Last objective is to empirically explore branding strategies of a Finnish born global during its growth stages. Born global concept, their growth stages and discussions related to branding strategies are done theoretically. This study follows deductive research approach and qualitative research method. The data is collected from a single company through face to face interview technique. In addition to interview, the company website, annual reports, company global financial data and company partner websites have also been consulted for the purpose of data collection.

This study focuses on a successful Finnish born global firm which has been rapidly internationalizing in the information technology sector of global markets. Finding reveals that selected born global firm chooses product brand strategy to make its brand successful during its introduction and growth stage. The company has not yet reached to maturity and still considered to be in the growth stage. However it is not always possible to use a single brand strategy in all situations.

KEYWORDS: Born globals, branding strategies, growth stages, internationalization, brand architecture.

1. INTRODUCTION

This chapter is about the introduction of the study. Background of the study, research gap, research question, and objectives and delimitations of the study are discussed in this chapter. In addition to this previous studies and the structure of the study are also discussed.

1.1. Background of the study

Due to increased globalization and internationalization a new breed of firms have been born, which behave very differently than traditional firms during their evolution, such firms are known as the “*born globals*”. Although sufficient amount of work has been done on the evolution and pace of internationalization among born globals (Johanson & Vahlne 1977; Andersen 1993; McDougall, Scott & Oviatt 1994; Knight & Cavugil 1996; McAuley 1999; Moen & Servais 2002; McDougall & Oviatt 2005) but there is still need to discover the branding endeavours of born globals.

Born globals are different from traditional firms in terms of their expansion strategies. Traditional firms which according to Uppsala model of internationalization follows incremental development in their evolution. They first develop their own domestic market and then take courage to spread risk outside their country and then continent. Whereas in contrast to traditional firms, born globals do not follows incremental model (Chetty & Campbell-Hunt 2004). Born global firm according to Oviatt and McDougall (1994) is “*a business organization that, from its inception, seeks to derive significant competitive advantage*

from the use of resources and the sale of outputs in multiple countries''. It's worth mentioning that literature has characterized the born global firms with small size, entrepreneurship, international experience, few employees, small domestic markets and innovative global products intended for global markets (Gabrielsson 2005). Several authors have identified number of important characteristics of born global companies which will be discussed later in chapter 2.2.

This study will address the branding strategies of a born global company, as there is scarcity of work to be found in the literature. In a study conducted on Finnish born globals it has been noted that there are very few branding strategies available for such firms and for such small and medium size companies with limited experience brand development strategies should be characterized by being cost efficient, allowing for a rapid impact on a global market and not too advanced due to managerial inexperience (Gabrielsson 2005).

1.2. Research gap

There have been good amount of research on *Born global phenomenon* (Rennie 1993; Knight & Cavusgil 1996; Madsen & Servais 1997; Luostarinen & Gabrielsson 2002; Gabrielsson & Kirpalani 2004; Gabrielsson 2005) and *International new ventures* (McDougall, Shane & Oviatt 1994; McDougall, Oviatt, & Rodney 2003; Oviatt & McDougall 1994; Oviatt & McDougall 1997) in the literature. Born global concept have been explored and discussed in the literature with different aspects. One of the areas which have been discussed

widely in literature is related to the characteristics of born globals (Luostarinen & Gabrielsson, 2006; Rialp, Rialp & Knight 2005; Knight & Cavusgil, 2004; Chetty & Campbell-Hunt 2003; Madsen & Servais, 1997; Oviatt & McDougall, 1995) factors and specific conditions influencing rapid expansions of Born Globals (Rialp et al. 2005; Urbano & Valliant 2005; Knight & Cavusgil 2004; Chetty & Campbell-Hunt 2003; Oviatt & McDougall 1994) structure and behaviour of born globals (Madsen 2000; Rasmussen & Servais 2000) whereas branding strategies of born global is a topic that has not been explored much. So far, research that has been carried on this topic lacks the marketing view point particularly branding strategies formulation in born global from dynamic and longitudinal perspective (Gabrielsson 2005: 219). Secondly research related to international business field is quite limited specifically in context of Branding (Gabrielsson 2005: 201). Klez and Block (1993: 11) indicate that although there have been good amount of discussions present in the literature on globalization and branding but there is scarcity of work done on the combination of them.

Gabrielsson (2005) explored *branding strategies of born globals*, in a study on about 30 born global firms from Finland. In the result of the study it was found that branding strategies and the approaches of business to business and business to consumers companies are different from each other. However for all born global firms, their owners and the top management team are of central importance, especially from the perspective of rapid internationalization and implementation of branding strategies (Gabrielsson 2005).

This study will carry Gabrielsson (2005) work forward and will give it a new dimension by exploring the *branding strategies* of a *born global* firm in its different *growth stages*. As there is significant gap present in the research related

to *branding strategies* in *born global growth stages* so there is need to explore this in detail. This study will try to contribute some value for the current born global studies and will be a different study as compared to previous studies, as it will explore branding strategies of a born global firm with respect to its growth stages.

1.3. Research question, objectives and delimitations

Research Question

The main question of this research is “*how a born global utilizes branding strategies during its growth stages?*”.

Objectives

- To define *born global* concept and different *growth stages* of born-global firm.
- To identify the *brand decision process* and to study different types of *branding strategies*.
- To empirically explore *branding strategies* of a *Finnish born global* during its *growth stages*.

The purpose of *first objective* is to define and explain the born global concept and to analyze the characteristics of born global firms. Due to different nature of born globals it's important to first understand the nature and main characteristics of these firms. In addition to this understanding of different

growth stages of born global firms would help to conceptualize the true nature of born global firms, especially the concepts associated with their rapid global growth.

Second objective purpose is to identify the *brand decision process* which would clarify the concept that how a company passes through the vital *decision process* of selecting and implementation of the brands. Secondly another aim of this objective is to study the different branding strategies in detail which would be explained by classifying them under their related brand architecture, this would help to clarify the different branding strategies in a logical manner.

The purpose of *third objective* is to empirically investigate and explore the branding strategies of a Finnish born global firm during its growth stages. This objective would be fulfilled by exploring the firm's characteristics, overall brand decision process, and selection of branding strategies during its different growth stages.

Delimitations

Firstly in conducting this research the main focus of the study will be on *Finnish born global firms* that are in the *information technology industry*, specifically sector related to *hi-end graphics* and *gaming*. According to 2006 estimates Finnish information technology industry has been growing with an excellent pace of around 13.1% with the revenue increased of approximately 1.52 € billions (Software business lab Helsinki University of Technology 2009). This is one of the reasons that the born global case company will be selected from one of the fastest growing sector in Finland. This study focuses on the branding strategies

of born global and how a born global utilizes them while rapidly internationalizing in the global markets. Therefore the emphasis is on the branding strategies utilization of born global. The present study will use the born global growth stage model proposed by Gabrielsson, Kirpalani, Manek, Solberg and Zucchella (2008) due to the fact that through this model, rapid growth and internationalization in born global can be deeply examined. The proposed study will not include any theory related to branding and branding strategies as there is scarcity of literature present related to branding theories. However current study will explain different branding strategies under the classification of their respective brand architectures. In brief the present study will be helpful to understand the born global firms and their branding strategy implementations in the global markets.

Further this study will particularly focuses on the branding strategies of a born global during its growth stages, in other words both the concepts of branding strategies and growth stages of born global will be analyzed together. Besides, this study will not go beyond the breakout stage of a born global due to two reasons. Firstly the research is still quite young related to the born global firms which have passed a long history and demonstrated evidences of different changes in their life cycle, including decline stage. Secondly there are chances that the chosen case study company will be young and has not passed beyond break out stage during its growth. This study will discuss only the managerial perspective of the branding strategies and its implementation on a born global firm, however it will not be related to the consumer and business perspectives as the inclusion of these perspectives will broaden the study more and will require more time.

There were number of interesting research questions that could have been asked but were not pursued such as, “*how born global firms branding strategies are affected by different environmental factors during their growth stages*”, or “*what are the factors that could lead a born global firm to success during their growth stages and in selection of their branding strategies*”. These questions were not pursued in this particular study because the main focus of this study is only to examine the utilization of branding strategies in growth stages of a born global.

1.4. Previous studies

The summary of the main studies for this research study are listed in table 1 which is divided into three main parts. The first part is related to born global studies, second part belongs to studies of branding strategies and the third part is the combination of branding strategies of born global studies. Most of the studies related to born global are *multiple case studies* and based on *qualitative data*. Then secondly studies related to branding strategies which have been used in this research are included. Table 1 presents the main studies cited in this research.

Table 1. Summary of the main research cited in the study.

Author(s)/ Year	Methodology	Context	Field of Study
The Born Global			
Gabrielsson et al. (2008)	Qualitative (Multiple Case study)	Greece, Norway, Finland and Italy.	Identification of different growth stages of born global firms.
Luostarinen & Gabrielsson (2006)	Empirical (Multiple case studies)	Finland	To identify the strategies and processes of born global firms.
Rialp et al. (2005); Urbano & Vaillant (2005)	Qualitative (Comparative case study)	Spain	To identify the factors and conditions underlying the emergence and expansion of born globals.
Madsen & Servais (1997)	Multiple Case Studies	U.S, Australia, Denmark, Switzerland, Sweden, Italy and France.	To study the antecedents of born globals which are necessary for its emergence.

Branding Strategies			
Gabrielsson & Gabrielsson (2008)	Theoretical	<ul style="list-style-type: none"> - Co-branding - House of brand - Branded house - Mixed brand - Product dominant - Corporate dominant 	To identify different branding strategies for firms in small and open economies that can help to achieve high brand equity in return.
Aaker (2004)	Theoretical	<ul style="list-style-type: none"> - Corporate branding 	To identify the reasons, ways, and challenges of corporate brand leverage
Onkvisit & Shaw (2001)	Theoretical	<ul style="list-style-type: none"> - Private labelling - Single branding - Hybrid branding - Local branding - Global branding 	To identify the brand decision process and issues related to legal aspects of branding.
Douglas, Samuel, & Edwin (2001)	Theoretical	<ul style="list-style-type: none"> - International branding - Endorsement 	To examine the issues involved in building

		branding - Corporate branding - Product branding	international brand architecture
Aaker & Joachimsthaler (2000)	Theoretical	- House of brands - Endorsement brands - Sub brands - Branded house	To study the brand relationship spectrum in order to design effective branding strategies.
Born Global and Branding Strategies			
Gabrielsson (2005)	Empirical (Multiple case studies) Research	- Finland	- The focus of study is characteristics of born global firms, and branding strategies alternatives.

Gabrielsson et al. (2008) studied the different growth stages of *different European born global firms* and found that born global firms deviates from the traditional path of internationalization. This study has core importance for the present

research as the following research will consider the growth stages of born global firms in order to explore the phenomenon.

Rialp et al. (2005) study explored the *different factors and conditions* that have given rise to the born global phenomenon by comparing both the traditional and born global approach towards internationalization. This study importance for the following study is evident in the understanding and explanation of born global firms attributes which would help in understanding the concept in a better way.

In the same continuum of born global studies Luostarinen and Gabrielsson (2006) explained the *characteristics and classification* of born global firms. It has mainly discussed the importance of global marketing strategies of these firms which has significant importance to the following study. Luostarinen and Gabrielsson (2006) work has been used mainly to define, and explain the born global concept in this following research study.

Madsen and Servais (1997) also highlighted the *conditions and factors* related to born global phenomenon emergence and development. This study has also identified different *characteristics* of born global firms. This study has been used to define and characterize the born global firms in the following study.

Gabrielsson and Gabrielsson (2008) have explained different *branding strategies* and their management so that a firm can achieve strong brand equity. It has discussed the importance of 6 branding strategies which proved to be useful in explaining different types of branding strategies in the following research study.

Corporate branding and its importance have been discussed by Aaker (2004). He has emphasized on *leveraging the corporate brand* by giving the *reasons, ways* and *challenges* for corporate branding. This study has been utilized in the following research study in explaining the corporate branding strategy.

In the same continuum of branding strategies Onkvisit and Shaw (1988) have identified *the brand decision process* and explaining each decision's advantages and disadvantages. This study has also discussed the legalities in branding which can seriously affect the success of a company. This study will have core importance in the branding chapter of the following study and will be utilized in explaining the brand decision process and some branding strategies.

Douglas et al. (2001) have suggested different ways to build clear and efficient *international brand architecture*. This study will be used in the following research in explaining the brand architecture concept.

Similar to the above study Aaker and Joachimsthaler (2000) have also explained the importance of *brand architecture* and have discussed the *brand relationship spectrum* that can help in devising efficient brand strategies. This study will be used in explaining the importance of brand architecture and defining different brand strategies in the following research.

The last study mentioned in the table 1 is from Gabrielsson (2005) and is specifically about *the branding strategies of born globals*. The special aspect of this study is that it has discussed both *born global concept and branding strategies*. This study has explained the characteristics of born global firms, different branding alternatives for them and factors that can affect the branding strategy selection

for a born global firm. This study will have core importance in the following study and will be referred in defining and characterizing the born global firms, as well as explaining different branding strategies.

1.5. Structure of the study

In the first chapter discussion related to the background of the study is done along with this, research question and delimitation of the study have been given. In addition to all this, research gap and previous studies are briefly mentioned in this chapter.

Second chapter is about born global concept, its characteristics, and its growth stages are discussed in detail. Third chapter is about branding. This chapter is divided into five sub-chapters. In first sub chapter branding concept and its importance is discussed in detail. Then in the second sub chapter some light is shed on the branding strategies and its importance. In the next subchapter branding decision process is discussed in detail and then in the fourth sub chapter detail discussion is done on the different brand architectures and branding strategies. At the end of the chapter summary of the theoretical framework will be presented and discussed.

In the fourth chapter is of core importance. In this chapter discussions related to the methods of research, case study research strategy, validity and reliability of the study is done. Lastly some discussion the data collection method is done. Whereas in the fifth chapter is about the analysis of the collected data. Here the focus is on the Finnish born global firm, its characteristics, its growth stages and

its branding strategies. The most important part of this chapter is about the discussions related to the branding strategies of the selected firm's two core brands in context of its growth-stages. Lastly in chapter sixth is about summary and conclusion. It has two subchapters. First subchapter is about the summary of the whole study, then in the second subchapter conclusions are done after this limitation of the study, managerial implications and recommendations for the future research are given.

Figure 1 is the summarized structure of this study. Chapter 1, 2 and 3 are theoretical based, whereas chapter 4 and 5 are based on empirical discussions. The last chapter 6 is based on theoretical and empirical findings of the study.

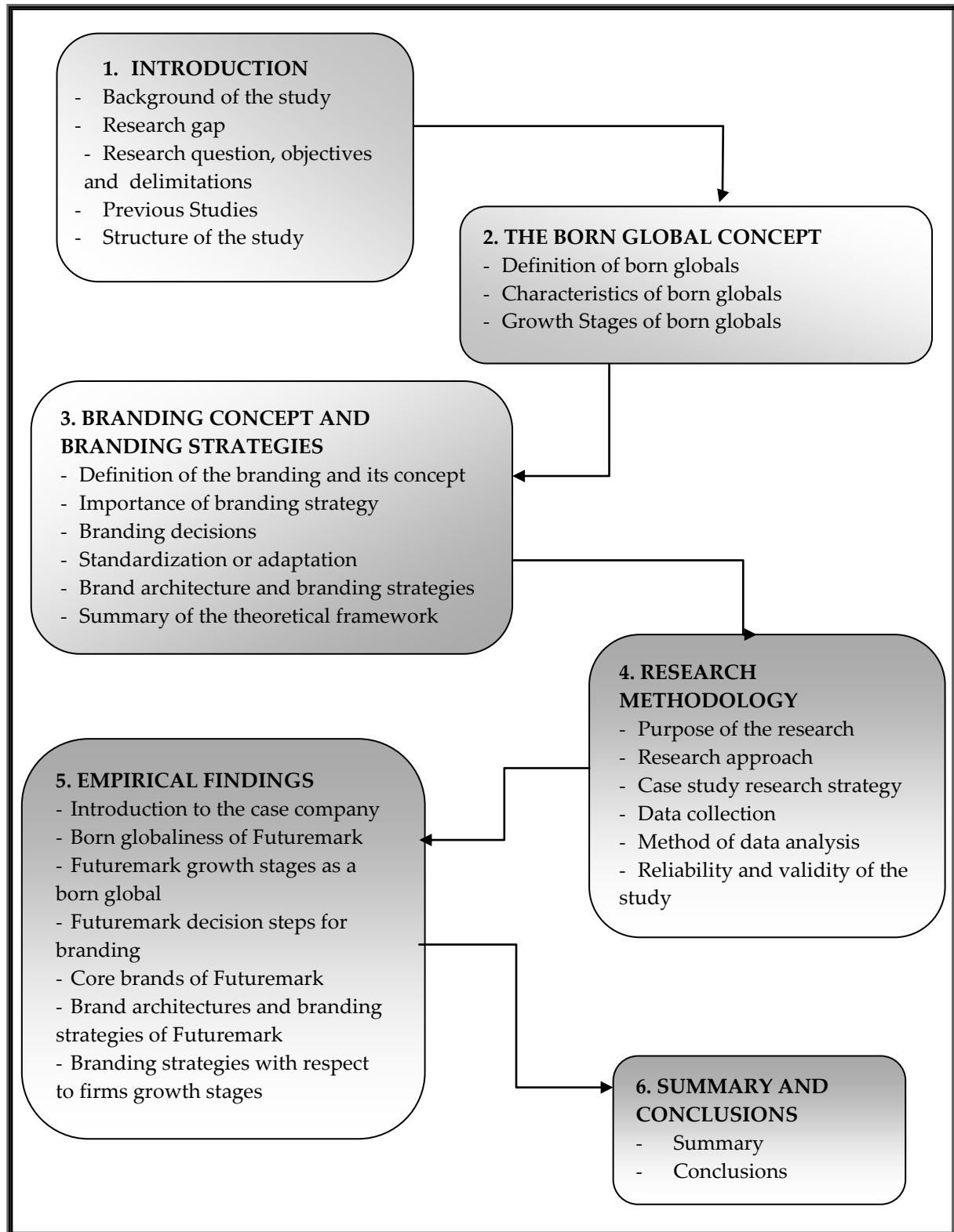


Figure 1. Structure of the thesis.

2. THE BORN GLOBAL CONCEPT

This chapter is about the born global firms. Firstly born global firms are defined, secondly their characteristics and thirdly their growth stages are explained in detail.

2.1. Definition of born global

Born globals are special kinds of firms that behave, develop, plan, grow, or internationalize themselves differently than the traditional firms. This phenomenon has not been studied to the extent to which traditional firms have been studied and is considered to be still a new concept and in development. In literature this kind of firms have been named differently by different authors, some of these names are, *Born Globals* (Rennie 1993; Knight & Cavusgil 1996; Madsen & Servais 1997; Luostarinen & Gabrielsson 2002; Gabrielsson & Kirpalani 2004; Gabrielsson 2005) *International New Ventures (INV's)* (McDougall et al. 1994; Oviatt & McDougall 1994; Oviatt & McDougall 1997; McDougall, Oviatt & Rodney 2003) *International Entrepreneurship* (Luostarinen & Gabrielsson 2002) *High Technological Start-ups* (Jolly & Jean-Pierre 1992) *Global Start-ups* (Oviatt & McDougall 1995) *Early International firms* (Rialp et al. 2005) *Born-International* (Kundu & Katz 2003) *Instant Exporters and Instant Internationals* (McAuley 1999). Main terminologies and definitions used in the born global concept are given in table 2.

Table 2. Definitions and terminologies used for born global concept.

Authors	Terminology used for born global concept	Definition for born-global	Operationalization Context
Gabrielsson & Gabrielsson (2008)	<ul style="list-style-type: none"> Born Global 	<ul style="list-style-type: none"> Firms having products with global market potential. 	<ul style="list-style-type: none"> -----
Luostarinen & Gabrielsson (2006)	<ul style="list-style-type: none"> International Entrepreneurship 	<ul style="list-style-type: none"> Firms that from their inception pursue a vision of becoming global and that often globalise their business rapidly without an earlier long-term domestic or internationalization period. 	<ul style="list-style-type: none"> Achieve 50% of sales outside their domestic continent.
Knight & Cavusgil (2004)	<ul style="list-style-type: none"> Born Globals 	<ul style="list-style-type: none"> Business organizations that, from or near their founding, seek superior 	<ul style="list-style-type: none"> -----

		international business performance from the application of knowledge-based resources to the sale of outputs in multiple countries.	
McAuley (1999)	<ul style="list-style-type: none"> • Instant Exporters • Instant Internationals 	<ul style="list-style-type: none"> • Firms that experience predominantly unplanned rapid internationalization 	<ul style="list-style-type: none"> • ----
Madsen & Servais (1997)	-----	<ul style="list-style-type: none"> • Firms that adapt an international or even global approach right from their birth or very shortly thereafter 	<ul style="list-style-type: none"> • -----
Oviatt & McDougall (1994; 1997)	<ul style="list-style-type: none"> • International New Venture • Global Start-ups 	<ul style="list-style-type: none"> • A business organization that from inception seeks to derive significant competitive advantage from the 	<ul style="list-style-type: none"> • ----

		use of outputs in multiple countries.	
Knight & Cavusgil (1996)	<ul style="list-style-type: none"> • Small technology oriented firms 	<ul style="list-style-type: none"> • Small technology oriented companies that operate in international markets from the earliest days of their establishment. 	<ul style="list-style-type: none"> • Born globals are firm that tend to export at least quarter (25%) of their total production. • Average annual sales, less than \$100 millions.

From the table 2 it's clear that the most important factors that different authors used in their definition are related to; internationalization, start or inception of a firm, globalization and international market which explains the importance of rapid development and achievement of growth of a small company from its birth. Hence it's a mandatory factor for born global firms to quickly achieve the success by exploiting the opportunities in the global markets with their inner capabilities. There have been concise definitions given on the born global operational perspective in the literature; such definitions can help us in identifying and differentiating the born global firms. Operational view for born global firms has particularly focused on two main aspects regarding born global firms; years of operation and percentage of foreign sales. According to Knight and Cavusgil (1996) *born global firms should export at least 25% of their sales within 3 years of inceptions*. This definition is quite flexible and appropriate for the research and a company can become born global by selling quarter of its

production outside its home land but it should be done within 3 *years* since its establishment. In contrast to the later, Luostarinen and Gabrielsson (2002) suggested a bit more strict definition in which to qualify as born global, *firm should achieve 50% sales outside its home continent*. From this criteria selection of a born global firm can become quite difficult and perhaps only couple of companies can fit into such condition.

There are other conditions that have been used in various studies to investigate firm's qualification to be born global. However Gabrielsson et al. (2008) have used 4 conditions as criteria to qualify firms as born globals. 1) SME with global vision, 2) Unique products with global demand, 3) Independent firms, and lastly 4) operationally exhibited accelerated internationalization (early development and speed). All such conditions clearly depicts the true nature of born global firm and any firm meets the later conditions qualified to be termed as born global.

The most popular definition regarding born globals is given by Oviatt and McDougall (1994: 49) according to them born globals are, *"a business organization that, from inception, seeks to derive significant competitive advantage from the use of resources from and the sale of outputs in multiple countries"* Similarly Knight (1997: 1) later defined these special kind of firms as, *"a company which, from or near its founding, seeks to derive a substantial proportion of its revenue from the sales of its products in international markets."* Two conditions are quite evident from the above definitions of Oviatt and McDougall (1994) and Knight (1994) that a born global company should have global approach right from the *beginning*, it should have *global vision* and *mission*, and secondly it must sell to *several countries*. It is important to note that Oviatt and McDougall (1994) have not mentioned the

term international or global in their definition, but in their research they gave some important findings related to global start-ups. In contrast to this Knight (1997) has mentioned clearly the term international in his definition of born global, which indicates to the condition that in order to bear the title of born global a company must have sales in the international markets.

It's important to note that the two terms *international new ventures* and *born global* have been used extensively in the internationalization literature and most of the time they have been used interchangeably by different authors (Gabrielsson et al. 2008; Gullander 2006; Rialp et al. 2005; Knight & Cavusgil 2004; Madsen & Servais 1997). Moreover these terms are mostly used in conjunction with the term *internationalization*. Similarly Oviat and McDougall (1994) definition of *International New Venture (INV)* has been used by several authors (Gullander 2006; Gabrielsson & Kirpalani 2004) to refer to the *Born Global phenomenon* and though the differences and boundaries between *born global* and *international new ventures* are not explicitly clear due to the presence of good amount of similarities and due to the fact that both of these terms (*born global* and *international new ventures*) have been exchanged at some occasions in the literature (Gullander 2006; Gabrielsson & Kirpalani 2004) between these concepts, therefore it's better to choose the widely used term *born global* or *born global firm(s)* in this research, till further development of research linked to international new ventures and born global firms .

2.2. Characteristics of born global

Born global firm starts their international operations earlier than traditional firm, traditional firms first develop their own domestic market and then internationalize whereas born global firms starts exporting in a very short time and one of the reason for it can be its unique products having international demand (Luostarinen & Gabrielsson 2006). Rialp et al. (2005) explains that these firms have good entrepreneurial skills and their management view the world as a single market place. Their mission and vision for global markets and customers starts from their inception and that is why they plan their products, structure and system on global basis from the beginning, which in fact becomes the continuation of the bigger plan to become global market leader. Another interesting characteristic of born global is that they use different innovative marketing, market, product and operations strategies on the global forum which helps them to grow exceptionally fast and support their long term globalization vision (Luostarinen & Gabrielsson 2006).

These firms are *young*, having *technologically advanced products and services* that offers highly added value in them, which enables them to create a niche in several segments of the global market. As they are small size firms and have *limited access to resources* (production financial and human), they use the help of different distribution channels to sell their products. They try to adopt cheaper solution to promote their products in the global market, because they *lack the financial resources* to engage in large scale advertising and promotion (Knight 1997). Born global firms secret to success is their rapid globalization in the market place, by adopting *innovation and differentiation* in product strategy.

Some of the main dimensions and characteristics of born global firms are given in table 3.

Table 3. Main dimensions and characteristics of born globals.

Author(s)	Key Dimensions	Salient characteristics of Born Globals
Rialp et al. (2005)	Entrepreneurs	Experienced, visionary, dedicated Entrepreneurs.
	Organizational Capabilities	Market knowledge and market commitment, intangible assets, high value creation.
	Strategic Focus	Niche focused highly proactive international strategy since inception.
		Narrowly defined customers groups with customer orientation approach.
		Flexible to adapt according to the conditions.
Chetty &	Home Market	Irrelevant or small

Campbell-Hunt (2003)		home market.
	Time to Internationalize	Within few years of inception
	Pace of Internationalization	Rapid
	Role of Communication and Information Technology	Enabler of global market reach and learning
	Founders/Entrepreneurs	Internationally experienced
	Learning	Rapid
	Growth strategy	Rapid internationalization, niche marketing, and networking
	Approach to Internationalization	Simultaneous development
Madsen & Servais (1997)	Founder	Internationally experienced
	Organization (Capability)	Rely on supplementary competences.
		Innovative

	Environment	Small domestic markets.
Knight & Cavusgil (2004)	Organization Culture	International entrepreneurial orientation
		International marketing Orientation
	Business Strategies	Global technological competence
		Unique product development
		Quality focus
		Leverage foreign distributor competencies

Rialp et al. (2005) have given three salient dimensions of born global firms and then further explained each attribute into different characteristics on the basis of international new venture and born global theories which also distinguish them from traditional firms. The most important factor that enables born global firm

to internationalize is its *founder*; it's the main difference between traditional and born global firms. If the founders of born global have *global vision, international experience, dedication, commitment* and *networking capabilities*, then it can ease the overall process of internationalization for any SME and enable it to achieve early internationalization. Secondly organizational capabilities of firms are also very important in the born globalness of firm. To achieve it a firm must have some *superior knowledge* of the market right from its start, *unique tacit knowledge*, and presence of value creation sources in terms of *state of the art technology, innovation* etc. Third key dimension for born globals is strategic focus, in which born globals must have *specialized innovative products* for specific narrow group of customers, as most of born globals have *hi-tech products* and probably business customers, so they should have direct and close contacts with their customers to meet the demands of their customers through frequent adaptation in their products, and this requires extreme flexibility in response to external environment.

Chetty and Campbell-Hunt (2003) also shed some light on the characteristics of born globals in their research, according to their study *domestic market* of born global firms is either irrelevant or very small for their *specialized hi-tech products*. Due to this fact, it's very important for the born globals to internationalize within few years and their pace of internationalization must be rapid in order to capture the market share and to survive themselves. During their internationalization endeavours, *communication* and *information technology* gives them great support to expand and to reach other parts of the world. But the most important factor for the born globals is their *entrepreneurs* who with the help of their vast *international experience* helps the company to achieve *rapid*

growth by providing learning opportunities in quick successions, which ultimately reduce the risk and uncertainty related to firm's future growth.

Madsen and Servais (1997) have also identified some attributes of born global firms during their research study on these *unique nature* firms. They also discovered regarding born globals that their *owners* have *internationally well experienced*, secondly they have quite *small domestic market* which is insufficient for their growth hence pushes these firms to go abroad in order to survive and fulfil other markets demands related to their products which in return results in their expansion and improvement of market share. Lastly as born globals are *small and medium sized* firms with *limited resources* in hand so it's very difficult for them to sell their products internationally by their own selves so they usually use other channels to make their products accessible in other parts of the world.

In connection with the above attributes given by several authors, Knight and Cavusgil (2004) also identified couple of important characteristics of born global firms, according to them *international market orientation* is the part of their organizational culture, that's why soon after their inception perhaps within a couple of years, these firms internationalize and reach other markets in search of meeting the demands of their international customers. In addition to this, owners of these firms have international orientation that helps them to internationalize and explore other world's markets. As born globals are small and medium size firms usually therefore their business strategy is quite *simple*, they are usually high technology companies and have state of the art global competency in the technology that is why most of their products are quite *advanced* and are *unique* in the world markets. Lastly utilizing foreign

distributors' competencies is the part of their core business strategy, as they don't have enough resources to distribute their products with the help of their own resources. This is usually done by establishing good relations with the distributors.

After analyzing the characteristics of born globals given by different authors above, it's quite obvious that born global firms are mainly dependent on their *entrepreneurial capabilities*, it's the owners of the firms that *visions* to make a small medium size company a global leader in presence of *limited resources*. Secondly their *hi-tech product* with *unique* attributes and global demand enables them to capture global market share and to internationalize with *rapid pace* after their inception. *Business relationship* and *networking* have great importance in the continuous success of born global firms, due to which these firms reach the global markets in short time by using *distributors* and other *channels* competencies in an efficient manner. According to the research these firms are mostly emerged from the countries that have *small and open economies* due to which there is no survival option left for such firms except to internationalize and introduce their products to global markets.

2.3. Growth stages of born globals

It's clear from the *internationalization literature* that, traditional firms first develop their *domestic market* and then when they have sufficient penetration in their domestic or home country market, they start to internationalize in foreign markets specially to close *psychic distance* areas the whole process takes number of years. *Psychic distance* is determined by geographic and cultural distance

between countries (Hashai & Almor 2002). Uppsala internationalization model has been developed by Swedish authors Johanson and Paul (1975) and Johanson and Vahlne (1977) which tries to explain that, firms evolve in a slow manner and usually internationalize in an *incremental* or *step by step* manner and involves different number of stages during internationalization process. In contrary to traditional firms, born global firms follows *short path* to achieve internationalization, these firms internationalize right after their *inceptions* and start to seek new opportunities of international business in the *global markets*.

Different growth stage models regarding small medium size companies have been proposed in literature. Steinmetz's (1969) divided the growth of small size companies into four stages on the basis of *control* and *managerial supervision* (direct supervision, supervised supervisor, indirect control, and divisional organization). In contrast to others Churchill and Lewis (1983) divided the business growth of small medium size firms into 5 distinct stages namely; *existence*, *survival*, *success*, *take-off* and at the end *resource maturity* as can be seen in figure 2.

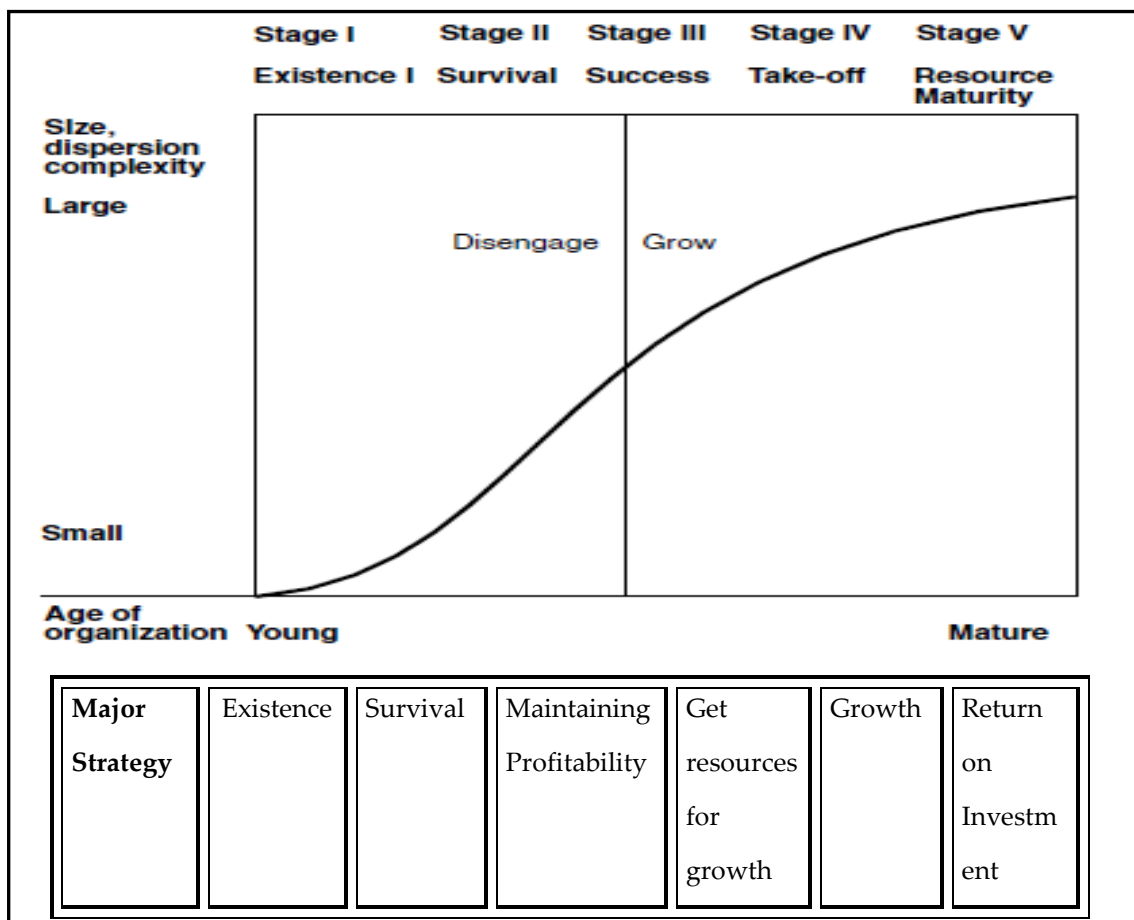


Figure 2. SME business growth model (adapted from Churchill & Lewis 1983).

The first growth stage has been termed as **Existence 1**. It is the stage of *Existence* for small medium companies during which they usually faced the basic problems of getting customers and the delivery of products. Usually SME's in this stage have problems for their *products acceptability*. They act as a *pure entrepreneurial* organization in which the owner acts as the main responsible person of the firm (Churchill & Lewis 1983: 3.) In order to be successful in this stage, the firm should develop an appropriate overall marketing mix strategy

which can only be possible if the management have thorough strength and weakness analysis of the firm.

During the second growth stage **Survival**, small medium companies succeed in making *customer base*, but due to *shortage of resources* especially *financial* and *human resources* still have to pass through crucial time, formal planning may come into play during this stage. Nevertheless, the ultimate struggle for SME's is to survive and strive for growth and profitability (Churchill & Lewis 1983: 4.) In this stage a small medium enterprise can still be in risk and in sort of striving for its existence but much better than its initial stage as now the firm's products are starting to familiarize in the market, however in order to keep the momentum of its sales firm needs more dedicated marketing and sales personnel that may support the business growth by putting their efforts in sales and marketing.

After passing through the second stage the firm enters into the third stage called **Success**. SME's that reaches to this level of growth are considered to be successful in their endeavours; in this stage companies have several alternatives to considered which Churchill and Lewis (1983: 5) divided into two sub-stages that are *substage 3G (success growth)* and *substage 3D (success disengagement)*. These two substages can lie in between the stage 3 and stage 4 shown in Figure 2. In substage *disengagement (3D)* due to economic success, companies owners started to disengage themselves from the micro-operations of the company. In contrast during the *success growth substage (3G)* owners of the company started to involve themselves, to utilize all the resources and to make the situation more favourable for the future (Churchill & Lewis 1983: 7). In the 3rd Stage of SME growth, firms started to experience overall growth; which can be growth

in sales and operational growth. In this stage at one point, Entrepreneurs can have two important options keeping the changing dynamics of the company, that either to *disengage* from the micro-operations of the company by focusing on the main strategic decisions for the company or to *continue to interfere* in the micro-operations of the firm by improving the *efficient utilization* of resources.

Stage 4 is termed as the **take-off** stage in the growth of a small medium enterprise. Here a SME's do more planning regarding its operations and other strategic issues. In this stage the owner (Entrepreneur) of the firm must separate himself from the *operational level* voluntarily and should delegate the authority to the managers so that the company can move on, because this is the stage where the future of the company can be tested internally and externally. The important issues in this stage are decisions related to *financial management* and *delegation of authority* (Churchill & Lewis 1983: 7.) This is the stage, where the Entrepreneur feels the *growth* in the *company sales, operations, personnel* and other areas. So it started to look to the bigger picture by focusing more on the strategic issues e.g. decisions related to international or global operations, etc. In this stage the owner of the firm can make mistake related to delegation of authority and similarly decision related to financial management can also go wrong. According to Churchill and Lewis (1983: 9) failure of firms in this stage may result because of their intentions to *grow extremely rapidly*, or they *may run out of cash* due to their *inefficient financial management* or in another case they may *fail to delegate the authority* to the next managers effectively.

During the last stage i.e. Stage 5 also termed as **resource maturity**, the issue of interest for a small medium enterprise is *to consolidate and control the financial gains* achieved by rapid growth. Now the company can really enjoys return on

investment in presence of sufficient financial and human resources however successful SME's should not lose the *motivation* and *innovativeness* and should also try to regain its *entrepreneurial spirits, flexibility* and took advantage of being *small*. In this stage the owner(s) of the firm is not looking into the *micro-decisions*, rather the owners separate themselves from *the operational and financial business* of the firm (Churchill & Lewis 1983: 9.) In this stage firms may not maintain the benefit of being small and may transform from small to medium or large enterprise. However issues that were present in the later stages are overcome in this stage and firm can continue to improve its growth.

In contrast to traditional small and medium size companies born global firms have unique nature and are special kind of firms that do not follow traditional path but in fact born globals internationalization intensity and growth is bit *faster* as compare to traditional small and medium size companies. In addition to this during their evolution they skip some stages that traditional firms prefer to follow. Gabrielsson et al. (2008) mentioned three main growth stages of born global firms which are described in terms of phases. The first phase of born global development is *introductory* or *initial launch phase*, second stage is *growth* and *resource accumulation* phase and third phase is *break-out*. Graphical representation of these different growth stages of born global firms and their explanation is given in figure 3.

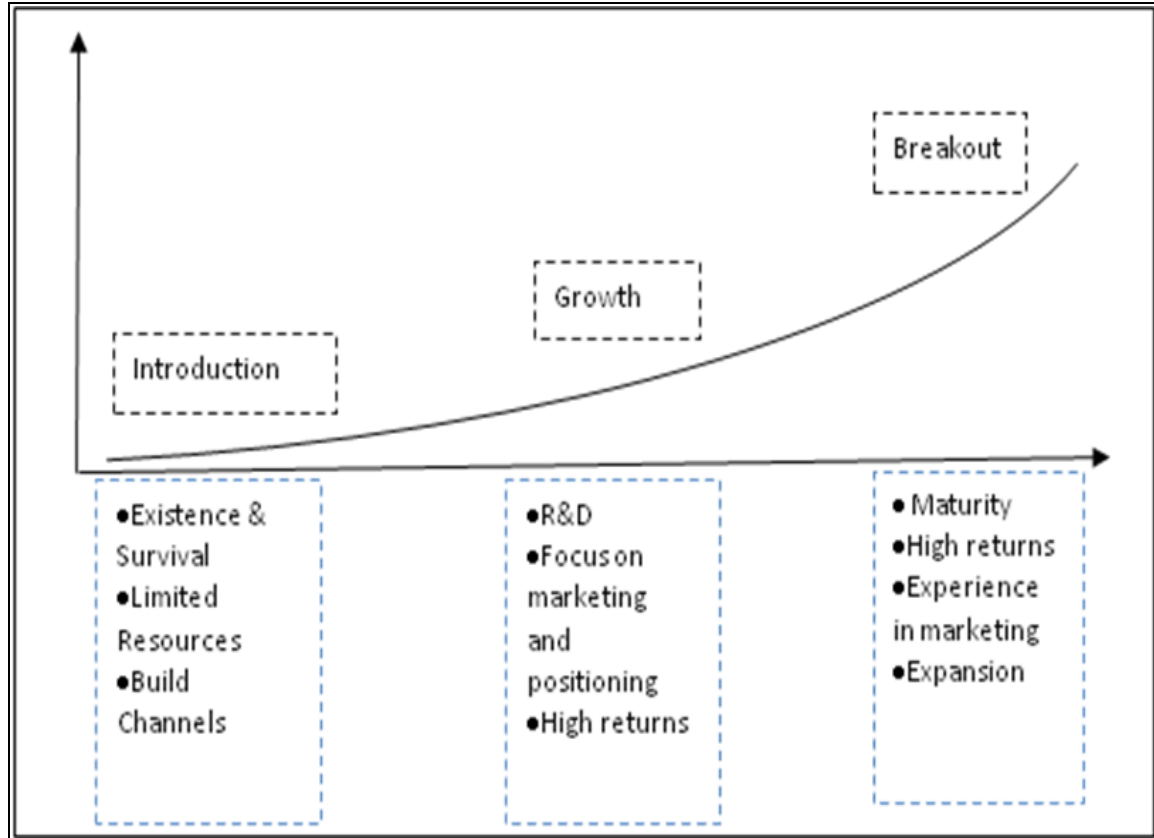


Figure 3. Growth stages of born globals (adapted from Gabrielsson et al. 2008).

Figure 3 shows three different growth stages of born global firms in the form of a hypothetical graphical representation. The graph curve explains the rapid internationalization of born global in 3 stages. First stage of born global growth is **introduction** stage, as born global phenomenon usually initiate from small and medium size companies which have *limited access to resources* e.g. limited human resources, limited financial resources etc, the main motivation behind their coming into existence is presence of a *unique knowledge* or *know-how*, on the basis of which they develop specialize *hi-tech products*. But to develop and grow according to their *rapid internationalization plan* they need *finance* and *expertise* to penetrate into international markets.

As born globals don't have enough capabilities to market the product on international scale, therefore they *select* and *build channels* and *networks* to establish relationship with other customers (Gabrielsson 2008: 391).

The second stage is **growth** as born global initiate its business by selecting partners in distribution channels and form networks. At this stage normally born global have unique products which are *difficult to imitate*, which enables the born global to position themselves up to a good level in the network of distribution channels. Success in this stage largely depends on the products and services offered and on the ability of the firm to place it in the market.

In this second stage, a born global firm should earn *high premium* on their products due to their *newness* and *added value*. But they should not ignore the importance of *research and development* in the existing products and for the new products, finance, networking and marketing in this stage which are crucial for any small firm success (Gabrielsson 2008: 396).

Last growth stage is **break out**. This stage is the *continuation* of the strategies developed in the second stage of born global growth. At this stage the firm is quite *mature* as far as international experience is concerned, and during this stage born global usually develops *superior unmatched technology*, and *good marketing skills* that they learned while collaborating with their partners. Here as a result of good *return on investments* and *maturity* in international markets with their *innovative products* these firms continue to expand into other global markets (Gabrielsson 2008: 397). In this stage a born global firm tries to lessen its *dependencies* on the multinationals by focusing on its own resources and capabilities.

Growth stages of traditional small and medium size companies and born global firms are quite similar to each other however the main difference between born globals and traditional SME firm's growth stages is the *pace of internationalization*. Traditional firms first develop their own domestic markets and when they have enough business generation in their home market then they start to move out from the boundaries of their country, whereas born globals may not develop their domestic market and prefer to internationalize soon after their inception (Rialp et al. 2005; Chetty & Campbell-Hunt 2003). So it's evident in case of born global firms that they skip some stages while internationalization and i.e. perhaps development of their domestic market.

In conclusion of the above discussion so far it's clear that born global firm is "*a business organization that from inception seeks to derive significant competitive advantage from the use of outputs in multiple countries*" (Oviatt & MacDougall 1994: 49). To become a born global, a firm must achieve at least 25% of total sales outside home continent within 3 years since its inception. These firms usually strive for achieving the competitive advantage during its growth stages by using its inherent capabilities including its brave *visionary entrepreneurial skills, hi-tech unique global demanded products, innovativeness, niche orientation, quality focus and rapid internationalization* in global markets. All such characteristics clearly differentiate them with traditional firms and enable them to successfully go through different challenges during their growth stages.

3. BRANDING CONCEPT AND BRANDING STRATEGIES

The main objective of this chapter is to discuss branding. Definition of brand and its concept is explained. After that discussion related to importance of branding strategy, brand decisions, and then brand architectures and branding strategies are done in this chapter.

3.1. Definition of the brand and its concept

The term “brand” can be defined in several different ways, but the most comprehensive definition according to Kotler (2006) given by the American marketing association as *“brand is a name, term, sign symbol, or design or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors.”*

In fact brand or branding is not a new concept it's been practiced for hundreds of years, people used special terms and symbols to differentiate or at least identify their products from the other products. In other words companies brand themselves in order to differentiate themselves in the presence of thousands of other products by promoting their product features, quality, and value offered. A brand can be seen as valuable element in the equity of the company (Gabrielsson & Gabrielsson 2008).

Kapferer (2008) explains that a product is generic if it's not being labelled and hence become worthless when it will not contain any brand name. Similarly Merrilees (2007) further sheds light on advantages of branding which it gives to

products. *Firstly* branding improves the *business model formulation* which increases the chances of better financial approval. *Secondly* branding can improve negotiation power of the manufacturer. *Thirdly* it helps to reduce the infinite range of opportunities and bring more focus to specialized products, and lastly it facilitates innovation and creativity in products by providing value added goods.

However the other side of the mirror is that, due to branding *production cost increases* which is mainly due to high quality requirements. Brand owners must use best raw material and superior production techniques which consequently increases the *production cost of the brand*. Secondly brand owners also have to bear *high marketing cost* in order to create a good image in the minds of the customers; this may also include cost of famous personality used for the marketing purpose. Thirdly in order to *protect the brand from counterfeiting*, the brand owners must register its name, logo and all other imitable features that consequently increases the overall legal cost for the branding (Onkvisit & Shaw 1988.)

International branding

As the concept of branding and importance of branding strategy has been discussed above, now the concept of *international branding* would be briefly discussed. Branding theoretically is a long term process and it's very difficult to create a strong brand within a short period of time, and they usually take time to develop strong international equity. Bradley (2002) states that internationalization of brands is itself a process, it often develop first from being the local or domestic brand and then moves to international markets when it

gains sufficient awareness. That is why International brands are sort of brands that have globalized elements of the marketing strategy (Schuiling & Kapferer 2004). International brands use almost standardize strategy across different countries.

Developing international brands provides good amount of business benefits and opportunities such as companies can exploit *economies of scale*, *develop global markets* and *explore various market segments*. Therefore international marketers need to identify match between diverse external environments to organize their marketing strategies (Wong & Merrilees 2007).

According to Keller (2007) there are several important factors due to which a company may opt for internationalization which are;

- Need to diversify risk
- Desire to reduce cost from economies of scale
- Perception of slow growth and increased competition in domestic markets
- Belief in enhanced overseas growth and profit opportunities
- Recognition of global mobility of customers

Customer's tastes and values are converging because of cross border mobility. Customers in one culture learned quickly about the other cultures. Such factors including more travel, work, and education abroad that have enable the marketers to identify customer segments as similar to each other. Behaviours of customers are more similar in big cities of different of different countries than

big cities of the same country but this similarity depends on the product as well (Quelch 1999.)

Similar idea has been mentioned by Albaum and Duerr (2008) explain that many companies usually adapt global strategy. Marketing and positioning of global brands are similar throughout the world but slight modification may occur. However perception of brand is perceived differently in different cultures and countries. So it's needed to carefully consider the factors that can influence consumer behaviour everywhere before launching a global brand (Gelder 2003).

3.2. Importance of branding strategy

In order to create strong brand equity, formulation of an appropriate branding strategy has a core importance. Kotler (2006) define branding strategy as *“the number and nature of common and distinctive brand elements applied to the different products sold by the firm. In other words devising a branding strategy involve deciding the nature of new and existing brand elements to be applied to new and existing products”*.

Without a clear strategy it's impossible to build a brand. To build a successful, sustainable brand requires careful planning and consistency in the branding strategy. Importance of clear appropriate strategy is not only recognized in branding or marketing but also in other department of an organization. This process of integrating the brand idea throughout the organization is called branding. It's the most effective way of generating positive word of mouth. It's

a plan to that defines the ideas and stories behind the brands, the structure and relationship of the brands within the organization and the core identifying elements such as company and product names, tone of voice, logos, color schemes etc. It should also provide the framework for implementing the brands throughout the organization operations and for using them to efficiently work towards the businesses goals. Ronney (1995) shed light on the importance of branding strategy that a company should align the total business strategy of whole organization with the identity and image of their brands. It's a fact that single strategy does not always work in all situations, so an organization must decide to make a fit between its branding strategy and overall company's general strategy. On the contrary if an organization ignores the importance of managing the brands properly then the mismanaged brands can produce drastic results for the organization.

Rapid pace of globalization has pushed companies to consider the importance of branding (Xie & Boggs 2006). Wong and Merrilees (2007) argue that branding has remarkable potential for internationalization. In all kind of industries brands are becoming more and more important for organizations because every other customer has exposure to so many different suppliers and hence has more choices available. Therefore in order to survive and grow in international competition, companies must brand by differentiating themselves.

There is no doubt that in today's globalize economy, innovation has a core importance to any organization and products life, it rather revitalizes the company and its offerings. To make an innovative product a brand is better than otherwise, because every other product that's proved to be an innovative product being quickly copied, sometimes even prior to their launch. In fact

branding is like an insurance policy for an innovative product or idea and a successful brand can not be developed until the firm selected an appropriate and efficient branding strategy.

3.3. Branding decisions

In order to execute an appropriate branding strategy, formulating a strategically fit plan is very important. Therefore company must first do an in-depth analysis of the internal and external situation before taking the final decision about its products. As compared to traditional marketing, branding no doubt gives several advantages to a company, so to brand or not to brand a product can be a vital decision for the company success. Not every company can brand the products as it requires *strong commitment* with the customers in all respect.

Companies and their decision makers brand the product by considering all the possible options and alternatives. The studies related to branding decisions alternatives are really scarce. Onkvisit and Shaw (2001) purposed different *decision level alternatives* in which they suggested to initiate the branding decision process from scratch and decide from the step either to brand or not to brand, in case company wants to produce generic products with less emphasis on marketing, then it should better not to go for branding. On the other hand if the company wants to differentiate its products of good consistent quality which would be easy to identify and differentiate and wants repeat purchases from its customers then it should opt for the *branding*. The brand decision process is illustrated in figure 4.

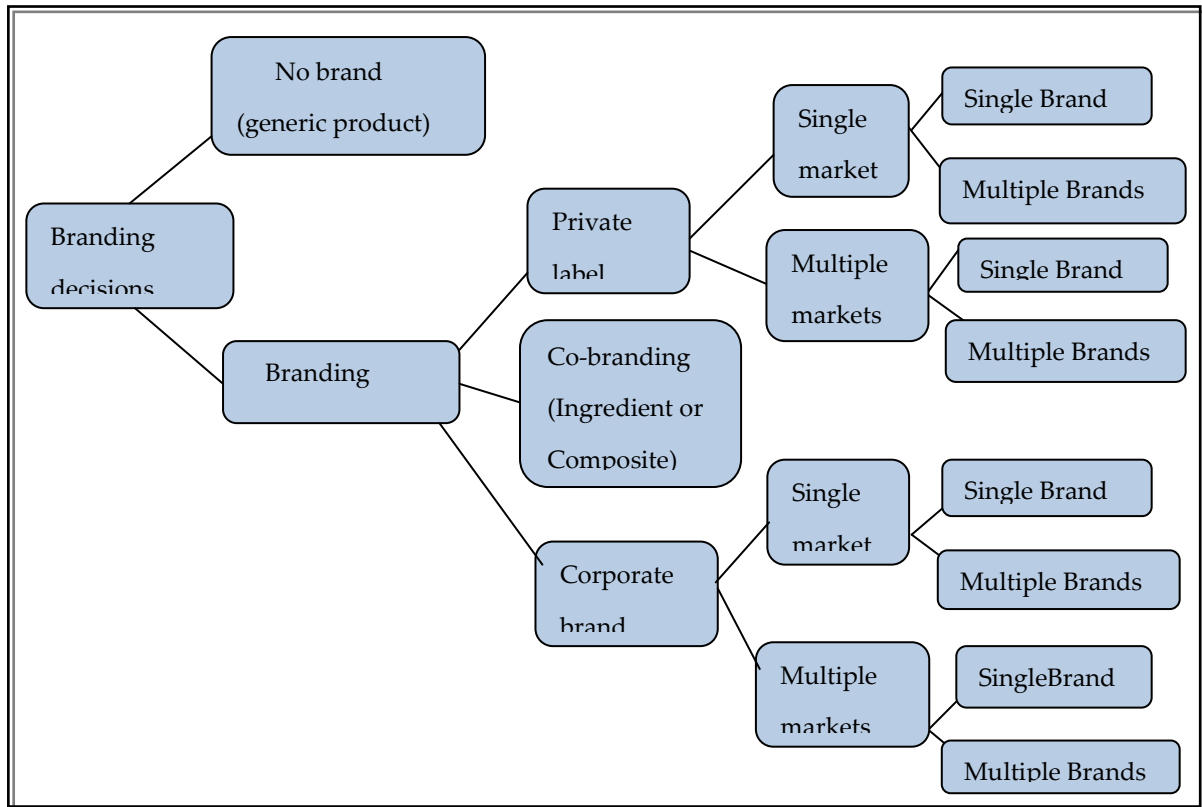


Figure 4. Brand decision process (adapted from Hollensen 2007: 441).

Once a company decided to go for branding decision, it has three main branding options to consider, and that are 1) *Manufacturer own brand or corporate brand*, 2) *Private labelling*, 3) *Co-branding*

Details of all the above three main branding decisions will be discussed separately in section 3.7. If the company decides to manufacture and distribute its own brand, then it should decide whether to sell it in one market or multiple markets, then after selecting the number of markets, it will have to decide to penetrate the selected number of markets with single brand or number of different brands (multiple brands). Onkvisit and Shaw (2001) explains that company's should look for the intra-market differences (heterogeneity among

the markets), and in case it finds the markets to be heterogeneous then it should select multiple branding and if there are not much difference between the markets then a single brand strategy will be appropriate.

Although brand decision process model of Onkvisit and Shaw (2001) is quite comprehensive way of explaining the overall brand decision making process. But there are weaknesses as well. Brand decision process by Onkvisit and Shaw (2001) is quite limited in its scope. One of the weaknesses of Onkvisit and Shaw (2001) brand decision model is that it does not give information about *other branding strategy alternatives* and instead presents only *three branding strategies options*. Secondly it does not explain the branding alternatives under proper classifications in terms of *brand architecture*.

3.4. Standardization or adaptation

In order to compete in the international or global markets in the presence of fierce competition, a company needs sound, efficient and effective branding or marketing strategy to progress and grow. The issue of standardization versus adaptation has been prominent in the international business and globalization literature. According to Douglas and Craig (1992) the most controversial concerns are whether to adapt or standardize the marketing mix programme in foreign markets. *Standardization approach* views the world as a market which has *homogenous needs* in terms of technological uniformity, more convergence of consumer needs, taste and preferences, therefore marketers should take advantage of this trend by following a standardized marketing strategy (Levitt 1983). Standardizing the marketing mix or branding strategy can gives number

of benefits like (a) economies of scale by cost saving on research and development, production and marketing, secondly it can provide (b) a consistent image of the company's brand in the international markets and ultimately it can (c) reduce the managerial complexity by better coordination in the international operations (Theodosiou & Leonidou 2002). Whereas proponents of *adaptation* says that the ultimate objective of a firm should not be cost reduction through standardization, but it should be the *long term profitability* through higher sales that should be accumulated through the better serving the different needs of customers across different countries (Whitelock & Pimblett 1997). However in order to utilize this standardization or adaptation concept in branding, the literature suggests that if a firm wants to increase its sales, save costs, and give a consistent image related to its brands then standardization should be the firm's first priority. Standardization in brands can be done through brand name. However due to several factors e.g. religion, language, technology, education and economy may affect the firms brand strategy selection of whether to adapt or standardize the offerings.

In fact standardization can assure *consistent, strong and unique brand image* across markets which consequently helps the brand to build strong equity (Schuiling & Kapferer 2004).

On the other hand if there are differences present in different segments of customers, company should adapt its offerings in order to fulfil the varying needs of its customers because there are more possibilities to satisfy the customer needs, if a firm customize the products according to the demand or expectations of its customers, which will consequently purse the customers to re-purchase.

On the basis of above discussions it can be said that to standardized or adapt the offerings can be the most vital decision for the company marketing mix, which should be taken very carefully by keeping in view the firm's business objectives and long term goals.

3.5. Brand architectures and branding strategies

In order to better manage the portfolio of brands by keeping in view the future development of the existing brands and introduction of new brands there should be a mechanism in which different portfolios of brands can be structured and managed in an organized way making sense to the company's broad vision, mission, competitive environment, all the stake holders and most importantly the customers. *Brand architecture is simply a way in which companies organize, manage and offer their brands in the market. It is the external face of business strategy and must be aligned with and support business goals and objectives* (Petromilli, Morrison & Million 2002). These are in fact *basic principles* which helps the company to effectively manage its brands, such principles should show strategic direction and indicate which brands to be emphasized or focused at what levels in the organization and how they are used and extended, and the extent of brand coordination across national boundaries (Douglas et al. 2001). It enabled more effective and consistent brand management by focusing on strategies to meet specific growth, sales and profit goals for individual brands (Petromilli & Morrison 2002). The basic difference between branding strategy and branding architecture is that brand architecture is the way that how a company *organize* and *manage* its different brands, whereas branding

strategy as defined in section 3.2. Involves decisions related to the nature of *new and existing brand elements* applied to new and existing products.

Firms should pay closer attention towards the coherence of branding decisions for international markets to build an affective international branding strategy across different markets, and as firms internationalize more and more; its brand architecture becomes more complex consequently (Douglas et al. 2001).

Different authors have identified different brand architecture frameworks. Some authors have proposed brand architecture based on single national market. Olins (1990) proposed three brand architecture namely; *monolithic* (firm uses only one name or identity worldwide), secondly *endorsed* (where the corporate name is used with product brand or subsidiary), and lastly *branded* architecture (focuses on multiple product level brands having individual identity). In contrast to the later Laforet and Saunders (1994) also suggested 3 types of brand architectures such as, *Corporate dominant* which has further 2 sub-categories *corporate brand* (firm name is used for products), and *house brand* (subsidiary or product name is used). Secondly, *mixed brand* architecture which consists of *endorsed brand* (product level brand endorsed by firm name), and *dual brand* (two or more brands are given same importance in promotion). Lastly *Brand dominant* architecture which consist of *single product level* brand having own identity. In contrast to Olins (1990), Lafort and Saunders (1994); and Urde (2003) gave 4 basic brand architectures based on the *core values* (shared and individual) and *corporate identity* (shared and individual), these are; *corporate brand*, *product brand*, *corporate and product brand* (corporate dominant), *product and corporate brand* (product dominant).

Keeping in view all the previous brand architecture that have been discussed in the literature, Douglas et al. (2001) proposed three *international brand architectures* namely, corporate dominant, product dominant and hybrid or mixed architecture.

1- *Corporate dominant* architecture is suitable for those firms that have limited range of products or product divisions and have clearly defined target market.

2- *Product-dominant architecture* is found in firms that have multiple national or local brands such firms usually expand internationally by leveraging their main brands.

3- *Hybrid or mixed architecture* is commonly used in large multi-national firms, where combinations of global, corporate, regional and national product level brands are used. However branding architectures continually evolve with respect to the market as well as the firm expansion strategy in the international markets.

Table 4. Connection of brand architecture with different branding strategies.

Authors	Brand Architecture(s)	Branding Strategy
Urde (2003); Douglas et al. (2001); Laforet &	Corporate brand architecture	Corporate branding strategy

Saunders (1994)		
Urde (2003)	Product brand architecture (product and corporate brand architecture or product dominant architecture)	Product brand strategy
		Range brand strategy
Urde (2003); Laforet & Saunders (1994)	Corporate and product brand architecture (Corporate dominant)	Umbrella brand strategy
		Endorsing brand strategy
		Source brand strategy
		Line brand strategy
Laforet & Saunders (1994)	Dual brand architecture	Co-branding strategy
Douglas et al. (2001)	Mixed or hybrid architecture	Mixed or hybrid branding strategy
Kapferer (2008); Gabrielsson (2005)	Private brand architecture	Private labelling strategy

Different branding strategies have been classified under their respective brand architecture as can be seen in Table 4. Each branding strategy must be implemented by taking the brand architecture in consideration which should be selected on the basis of firm's *objectives* and *strategic considerations*.

There are several types of branding strategies which are usually used according to different situations, objectives and strategic considerations by the brand managers. In order to develop strong brand equity, each new brand strategy should be implemented on the basis of selected brand architecture. Brand architecture is required prior to the strategy implementation and it is also required in order to manage new and existing brands efficiently, coherently and strategically. The details related to different brand architectures and their respective branding strategies are done here under;

Corporate brand architecture and strategy

Corporate brand architecture is suitable for companies that have limited brands in their portfolio. Corporate branding strategy has been mentioned by several authors (Kapferer 2008; Uggla 2005; Aaker 2004; Balmer 2001; Knox & Bickerton 2003) in the literature. It is only suitable for companies have few products that want to focus explicitly on their corporate values and image through branding. *Corporate branding strategy* is similar to the traditional branding strategies and its objective is same to create differentiation and preferences, but this strategy is more complex than others in respect that it consist of branding practices at all levels of organization rather than on individual products or services, it involves

all stakeholders in it (Knox & Bickerton 2003). Balmer (2001) explains that corporate brands are different from product brands strategically, they have three general advantages, corporate brands are differentiated, they are communicated and they are powerful source of brand equity. Corporate brand strategy will work best when it delivers functional benefits and those benefits could be based on its strategy, In addition to this it can also deliver emotional and self-expressive benefits (Aaker 2004).

Kapferer (2008) further supports that in corporate branding, company present itself as an ultimate endorsement by increasing its own visibility by creating attractiveness to executives, students, and the employment market in general and that is done by confidently presenting its own name on the products. In this way company associate its own goodwill and prestige to its product, as a consequence making the products more visible in the eyes of its customers. But the dark side in this case is if the company's product fails, it can cause severe damage to the company overall image and the result of it can be decrease in profitability or even losses.

Aaker (2004) cautions that firm possessing corporate brand should maintain its relevancy in the portfolio. It should keep the business strategy in focus while extending the brand. Secondly in case of different brands or sub-brands in the portfolio of corporate brand, brand identity should be adapted for each context (core and extended) failing to do so may leads to conflicting perspective among the brands.

Product brand architecture and strategy

Product brand architecture is suitable for the firms that want to market products with individual identities. It's suitable for product brand and range brand strategies. Product branding is the strategy of building separate brand identities for different products (Xie & Boggs 2006). Product branding or *product-brand strategy* is a flexible strategy which allows the company to assign a particular name to its product (or product line) and position it exclusively in a well defined manner. In this way each new product gets its own brand name, therefore each company's brand gets a unique position and occupies a particular segment of the market (Kapferer 2008; Xie & Boggs 2006; Urde 2003).

This strategy is considered to be an aggressive strategy, as in which company wants to aggressively occupy the market. Hatch and Schultz (2003) state that product brands are short term and live in the present and the main aim of this strategy is to maximize the sales. Sometime product brand strategy is also termed as *branduct*, due to the fact that if product is so unique and specific, that have no other name but its own brand name such a brand easily becomes a single representative of the whole category (Kapferer 2008).

Kapferer (2008) suggests that this strategy is most suitable for innovative companies, who want to get the first mover advantage. Therefore by branding its innovation, company protects its product or idea. If managers needs distance between corporate brand and product brands then they should adopt this strategy, but in addition to this, the product brands should be positioned separately in the minds of customers (Gelder 2003).

In this strategy, the corporate name usually remain in background, which allows its brand to act freely and in addition to this it reduces the risk for the

company to get any negative image in case of failure (Kapferer 2008; McDonald, de Chernatony & Harris 2001). This strategy is convenient for the retailers, who feel comfortable to stock or manage products (product line) of a single brand, rather than multiple brands of the same company (Kapferer 2008).

Amongst the downsides of product-brand strategy, the first one could be the amount of expenditure on this strategy. For each product-brand, company will have to spend good amount of money in advertisement and promotions and will have to strive hard for each of its product-brand awareness. Secondly as each product-brand has its own identity, other products will not be able to benefit from each other, in other words new products will not get any benefit from well known products in the company's portfolio (Kapferer 2008.)

Another strategy that comes under the product brand architecture is *range brand strategy*. In this type of strategy range of products, contains a single brand name, and all of the products in such range belongs to the same business idea. In this strategy all products have their own name. Range-brand strategy gathers different products attributes having same concept under one brand name, and strive for building brand capital. It's not necessary to promote attributes of all the products that lies in a brand range, even the few important ones can make the difference, and build a strong equity in return (Kapferer 2008.)

By using this strategy, company can have advantage of selling new brands, but then their philosophy should match with their parent. Therefore it's important to mention here that the structure of the line of products should be very clear so that in case of specialized products it would be easier for customers to understand the logic and terms (Kapferer 2008.)

Corporate and product brand architecture

Corporate and product brand architecture is used in the situation where corporate values need to be maintained and shared among the stake holders through branding. In this type of architecture, corporate values should reflect in all the individual brands in the firm portfolio. This architecture is suitable for four types of branding strategies namely 1) *umbrella brand strategy*, 2) *endorsing brand strategy* 3) *source brand strategy*, and 4) *line brand strategy*. The details of each branding strategy which are related to *corporate and product brand architecture* are done here under;

1) Umbrella brand strategy

It is the most commonly used under corporate and product brand architecture. In this strategy a parent brand serves as an Umbrella to all the products or product range. There are two sub strategies of Umbrella branding strategy; (a) *House of brands strategy*, (b) *Branded house strategy*, each of them is discussed here under,

a) *House of brand strategy* is also known as '*Flexible Umbrella*' branding, where all products are characterized by a single brand and to identify each of the product under that single brand, specific numbers or codes can be assigned. It is characterized by group of stand-alone brands, where each brands has operational independence by aiming to grab maximum market share and revenues (Kerr, 2005). It usually covers a wide variety of products under a single name. In this way firms can easily target a brand to its customer related

to a niche by positioning a brand clearly based on its functional benefits (Aaker & Joachimsthaler 2000).

According to Aaker and Joachimsthaler (2000) branding, stand alone products with independent identities doesn't just give the benefit of positioning but rather it optimizes the whole brand portfolio, because this strategy gives the firm a natural or default benefit of avoiding incompatible association with offerings, which consequently helps in better image development for each brand. Secondly it's appropriate to launch a new invention or new offering under this strategy as it gives clear indication to the stakeholders that it's a new breakthrough from the firm. Thirdly it's strategically very useful for the company to use this strategy with new product classes by using a brand name that clearly depicts the product benefits. Lastly and most importantly, house of brand strategy enables the firms to avoid or minimize channel conflicts as with unconnected brands sold through competing channels, conflict is very difficult to arise.

The downside of house of brand strategy is that it doesn't promote the *emotional values* in its communication, rather it emphasis on the tangible aspects like product attributes, and its advantages. Though the products are seen as quality products in this strategy, but its relationship with the customer is distant, and cold (Kapferer 2008.) A firm loses opportunities like economies of scale and synergies by adopting *house of brand* strategy (Aaker & Joachimsthaler 2000).

b) Branded house strategy uses a single brand to cover series of different offerings that may operate with descriptive sub-brand (Kerr 2005). This strategy has the same approach like house of brand strategy; it differs in respect of

naming for the sub-brands. In this strategy the sub-brands are categorized by particular descriptive names rather than numbers or codes. Branded house strategy is also known as master brand, due to the fact that the parent brand (which act as an Umbrella) serves as a frame of reference for its sub-brands and provide intangible common values for them. In this way master brand strategy creates a group of values that differentiate but relevant to each of its markets (Kapferer 2008).

Branded house strategy offers a brand architecture that is more clearer which enables the customers to better understand and recall the complete offerings and their logic given by the firm in contrast to a firm which offers stand alone offerings having different associations for its customers, hence making its offering structure clear for all the stake holders . Secondly it provides synergy in the business by creating brand position, visibility and associations in one market which ultimately carries the same impact into the other markets and the other strategic business units (SBU's). Lastly Branded House strategy helps the firms to leverage its brands by utilizing its existing strong equity (Aaker & Joachimsthaler 2000.)

2) Endorsing brand strategy

This strategy comes under the classification of *corporate and product brand architecture* as this architecture reflects *corporate dominancy*. In this type of branding strategy the parent brand gives its approval to wide diversity of products group under product brands, line brands or range brands. In other words the endorsing brand gives a certificate of quality, value and satisfaction

by placing its name, sign or symbol under or next to the brand name, but each product in this strategy is free to maintain its originality. This strategy sometime called as corporate brand leverage, which according to Uggla (2005) as corporate brand links to an external entity having strong brand equity and the purpose is to endorse that sub-brand. This strategy is actually a way through which firms mix and match their brand's name on their product (Laforet & Saunders 1999). However, Aaker and Joachimsthaler (2000) suggested three further sub-strategies of endorsement brand strategy which are; a) *token endorser*, b) *linked name strategy* and c) *line brand strategy*.

a) *Token endorser* is indicated by logo, signatures, statement or by another device in this way endorsed brand gets more dominance whereas the token endorser will be less prominent then the endorsed brand. In order to make the strategy work, token endorsement should be done in a balance way. The visibility and image of endorsed brand should be carefully considered before implementing this strategy. There is less need of token endorsement in case of well established endorsed brand whereas on the other hand if the endorsed brand is less familiar then intensity of token endorsement should be implemented by in a careful manner (Aaker & Joachimsthaler 2000.)

b) *Linked name brand strategy* is another type of endorsing brand strategy which is used as a family of brand in which one common name is being associated with different brands in the same portfolio which as a result depicts more ownership at the other brands. The benefit is simple that it helps the firm in the naming of its brand, and firm doesn't have to invent strong names for its brands each time, hence making the task easy for the brand manager (Aaker & Joachimsthaler 2000.) Linked names are usually represents corporate name or

parent brand name. In this way firms also links its associations and equity to its brand, giving it better and stronger image. According to Aaker and Joachimsthaler (2000) in the *Linked name endorsement strategy* a compound name of common elements is mixed to produce a family of brands with implicit endorsement. It provides the benefits of a separate name without having to start a second name from scratch and connect it to a master brand.

This strategy also allows free movement of brand, all daughter brands are independent, and hence parent brand or endorser doesn't get much benefit from the image of its daughter brands. Through this strategy it becomes easier for product brands (daughter brand) to promote itself, as its being guaranteed and assured by its endorser (Kapferer 2008.)

3) Source brand strategy

This is yet another type of brand strategy that comes under *corporate and brand architecture* is *source branding*. This strategy is also known as double branding. It is similar to the Umbrella branding but differs in respect that each product has its own particular brand name, rather a generic name. In this strategy family spirits (core common value or parent theme) dominates, in other words in order to attract customers, parent brand offers its identity and values, customized in the form of its sub-brands. This approach is suitable for companies that want to secure new territories and customer segments (Kapferer 2008.)

This strategy has more strict approach then the others, it has lesser freedom. Source branding doesn't allow its sub-brands to cross the limits or modify the brand communication and extension. Parent brand's core values should be strictly respected and sub-brands in this approach are bound to abide by these rules in order to create strong equity (Kapferer 2008.)

4) Line branding strategy

In this strategy companies provide coherent offer under a single name by proposing many complementary products in form of *a total care solution*. It's merely an extension or exploitation of a successful concept by keeping the initial idea intact. The benefit of this approach is that any new product that are launched under such offer would not need much advertisement and promotion, which eventually benefits the company in reducing the overall cost of product launch, and after all it serves the purpose of getting good amount of customers by serving the existing customer base (Kapferer 2008.) It should be noted that all products that are launched under this strategy are closely linked to the existing products and does not cross the limits of main brand theme.

Dual brand architecture and strategy

Dual brand architecture is yet another kind of brand architecture that is used where *two brands combine in a single offer*; this is used in the form of *Co-branding strategy* by different firms according to the situation and marketing need. According to Washburn, Brian and Priluck (2000) *Co-branding* is pairing of two or more branded products to form a unique and separate product. It's a form of branding strategy in which co-operation between two or more brands with significant customer recognitions takes place, in this approach brand names of each brand is retained whereas the value of the brand is created by exposing the brand to the other brand customer.

Co-branding actually serves a mean to differentiate the products in a competitive environment. Rao et al. (1994) explains that combination of two brands gives more assurance about the product quality as compare to single brand and therefore should lead to premium prices and product evaluations. However the motive behind co-brand strategy is that the brands would create synergies by creating value for everyone (stakeholders), above the value they would expect to generate on this own (Bengtsson & Servais 2005).

Washburn et al. (2000) further explains that Co-branding can damage the image of one of the brand being paired and hence cause harm to its strong equity. This can happen when consumers get negative experience from one of the brand being bundled to the other but good experience from one brand can also enhance the image of the other brand(s) linked in an offer. Co-branding can be further divided into two types; (1) Ingredient co-branding, where one brand becomes an ingredient or part of the other brand and (2) Composite co-branding which is also called bundling, where the brands (two or more) becomes a part of a bundle offer.

Similarly Helmig, Huber and Leeflang (2008) state that co-branding can add additional value to the primary brand and the co-branded product, which each one of them may not be able to achieve single handedly. In contrast to this negative spill over effect can result if either of the brands simply doesn't fit strategically or gives any negative value perceptions.

So brand managers should pick only those brands in this strategy that are equal in comparison and possess strong equity. In contrast, if the firm wants to serve a specific niche market with their brand and there are only few players inside

that market, then it can choose a weaker brand which will help the brand to enter that category easily by adopting co-branding strategy (Helmig et al. 2008).

Mixed or hybrid brand architecture and strategy

Mixed or hybrid architecture is usually used by firms in *complex situation*, mostly in *international marketing context* and the main purpose behind it is to capture maximum *market share*. *Hybrid or mixed branding strategy* is used in this kind of architecture. In addition to corporate dominated and product dominated branding strategies, *hybrid or mixed branding strategy* can be used in which *corporate brands* are used to endorse the *product level brands* (Douglas et al. 2001). This means that Corporate brands supports or promotes the other brands (product brands) which have their own identities and positioning. Being the core and true representative of the firms value's corporate brands are used in this strategy to improve the image, and sales of the company other brands. However, Gabrielsson (2005) proposed that in order to achieve aggressive growth targets firms should use all possible channels and respective branding strategies in order to secure maximum market share.

In addition to this Kapferer (2008) state that firms sometime use mixed strategies for the same brand and it depends on the situation (competition, adaptation, distribution, relations, etc) the firm is facing. So this means that firms can use different strategies for different brands, similarly they can also use mixed branding strategies for a single brand according to the situation. But brand managers must use multiple brand strategies in the target markets very carefully as it may create confusion among business customers.

Private labelling

A firm may also be involved in *private labelling* and may possess several private brands. Kapferer (2008) states that private labelling or private branding is mostly used in business to business sector, in which manufacturer's product may be sold under any retail channel or other marketing channel member's brand. This strategy helps the manufacturer to *gain rapid market entry* while contributing to *fixed cost*. However manufacturer's brands may become *invulnerable* to become a *commodity* (Onkvisit & Shaw 2001).

There are two types of private labelling mentioned in the literature; firstly *Original equipment manufacturing (OEM)* which is a form of private labelling in which manufacturer produces the product according to the specifications given by the retailer or the brand owner. In other words equipment made by manufacturer is sold under other company brand name, and the seller may not promote the original equipment manufacturer (Gabrielsson 2005). Second type of private labelling is *Original design manufacturing (ODM)* where the channel member provides specifications to the manufacturer to design the product according to his needs, in simple words the design made by the company will be sold under other company brand name, and the seller of the brand may not promote the original design manufacturer (Gabrielsson 2005). All the different types of branding strategies that have been discussed in section 3.5 are shown in table 5 with their advantages and disadvantages.

Table 5. Types of branding strategies and their pros and cons.

Branding Strategy	Definition of branding strategy	Advantages	Disadvantages
Product-brand strategy	Assigning a particular name to a product (or product line) and position it exclusively in a well defined manner	<ul style="list-style-type: none"> • Easy to manage • Less risk • Suitable for innovative companies 	<ul style="list-style-type: none"> • Expensive • Aggressive • Individual benefits
Range brand strategy	Range of products, contains a single brand name, and all of the products in such range belongs to the same business idea.	<ul style="list-style-type: none"> • Easy to sell new comers 	<ul style="list-style-type: none"> • Unclear structure can be damaging

Umbrella brand strategy	The parent brand serves as an Umbrella to all the products or product range.	<u>House of Brands</u> <ul style="list-style-type: none"> • More autonomy for sales department <u>Branded House</u> <ul style="list-style-type: none"> • Value creation for sub-brands 	<u>House of Brands</u> <ul style="list-style-type: none"> • Cold and distant relationship with customers <u>Branded House</u> <p>----</p>
Endorsing brand strategy	The parent brand gives its approval to wide diversity of products group under product brands, line brands or range brands.	<ul style="list-style-type: none"> • Independent decisions • Easy to promote itself 	<ul style="list-style-type: none"> • Endorser doesn't get direct benefit
Source brand strategy	Each product has its own particular brand name, rather a generic name.	<ul style="list-style-type: none"> • Sharing of parent brand values • Suitable for new customer segments and markets 	<ul style="list-style-type: none"> • Restricted approach
Line brand strategy	Coherent offer under a single name by	<ul style="list-style-type: none"> • Easy awareness • Easy promotion 	<ul style="list-style-type: none"> • Irrelevant product extension may affect the equity.

	proposing many complementary products in form of a total care solution.	<ul style="list-style-type: none"> • Reduce cost • Exposure to existing customer base 	
Corporate branding	All levels of organization rather than on individual products or services, it involves all stakeholders in it.	<ul style="list-style-type: none"> • Complex than traditional approach • Strong equity building • Goodwill both to organization and product • Everybody's involvement and responsibility. 	<ul style="list-style-type: none"> • Failure or damage to product image certainly damage's corporate image and revenues.
Co-branding	It is pairing of two or more branded products to form a unique and separate product.	<ul style="list-style-type: none"> • Effective promotion • Exposure to different customer base • Positive performance or image of one brand, 	<ul style="list-style-type: none"> • Negative image or performance of one product can harm other product image and equity consequently.

		increase the image of other brands.	
Mixed or Hybrid Branding	Corporate brands supports or promotes the other brands (product brands) which have their own identities and positioning.	<ul style="list-style-type: none"> • Capable of capturing market share quickly • Active contribution of all stakeholders 	<ul style="list-style-type: none"> • Risk of creating confusion among business to business customers.
Private labelling	Manufacturer's product may be sold under any retail channel or other marketing channel member's brand	<ul style="list-style-type: none"> • Manufacturer gets rapid market entry 	<ul style="list-style-type: none"> • Manufacturer brand invulnerable to become commodity

It is clear from table 5 that each branding strategy has some advantages and disadvantages. Some branding strategies are used by focusing on the *corporate values* whereas some are used in means of *awareness, promotion, good market share, customers, competition and cost*. Therefore it's highly important to choose the branding strategies according to the selected *brand architecture*.

3.6. Summary of the theoretical framework

Figure 5 gives a clear picture of the whole theoretical framework developed and presented in a summarized form. Figure 5 is based on the theoretical discussions done in chapter 2 and chapter 3. Chapter 2 is about born global firms, their characteristics and their growth stages. Whereas chapter 3 give explanations about branding, its importance and different branding strategies. The purpose of summarizing all the theoretical discussions done in the later chapters in the form of a figure is to clarify the concepts by *creating an association or a linkage* with the important discussions for the reader's convenience, so that all the discussions done later can easily be revised. On the other hand the theoretical framework summary in Figure 5 also serves the purpose of a basic framework on which empirical part (chapter 5) of this study will be presented.

The theoretical framework summary presented as figure 5, has four main parts. First part begins from the top of the framework which is labelled as *characteristics of born globals*. It represents several main characteristics that a born global firm possesses. These characteristics includes entrepreneurship, global vision, rapid pace of internationalization, small home market, niche focused strategy, specialized products, and networking.

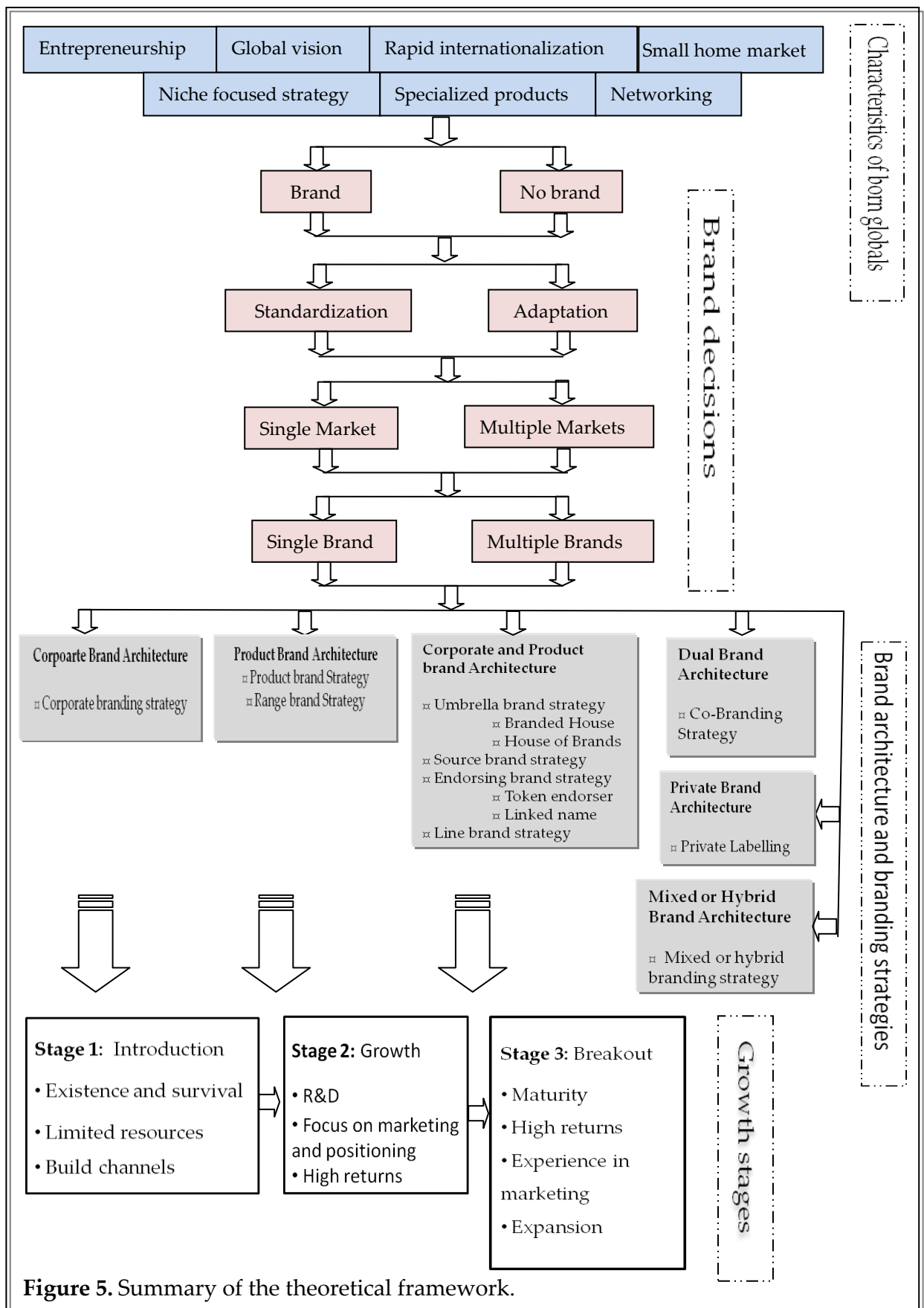
Second part of theoretical framework is labelled as brand decisions. Brand decisions involved several decision steps. First step is related to deciding whether to brand or not to brand (generic product). Second step includes *decision choice* related to *adaptation or standardization* in offerings. Third step in the brand decision process involves selection of *single market or multiple market*

approach and the last step of the brand decision process involves deciding for *single brand or multiple brand offering*.

Third part of the Figure 5 lies in the middle. It represents different sets of *brand architecture* and *branding strategies alternatives*. In this part all the different branding strategies have been classified under their respective brand architectures. *Brand architecture is the way through which a company organized and manage the brands* (Petromilli et al. 2002). There are 6 brand architectures shown in the middle part of the figure 5. Between middle part and the last part there are arrow indications, which shows the influence of branding architecture and their respective strategies on the growth stages of born global firm. The brand architecture and branding strategies are actually different alternatives set of strategies for the managers to choose from, and these strategies are usually applied according to the company situation and objectives.

Last and fourth part of the summarized theoretical framework is at the bottom of the Figure 5. It is related to the *growth stages of born globals*. It consists of three different growth stages. Each growth stage has set of factors which a born global firm faces on passing the later stage. All the three growth stages are connected with each other through an arrow connection between them, which illustrate their stepwise process. In summary figure 5 illustrate different branding strategies alternatives and their potential effects on three different growth stages of a born global firm. It shows a variety of branding strategies that a firm can utilizes in its growth stages but prior to branding strategies decisions, its mandatory that efficient branding decisions should be taken, because such decisions (including standardization, multiple brands, multiple markets) forms the foundations later in the selection of appropriate branding

strategies and consequently if all the later steps would be performed efficiently then success can be attained by a born global firm during its journey from one growth stage to another.



4. RESEARCH METHODOLOGY

This chapter is about the research methodology of the study. In the following sections purpose of the research, the research approach, case study research strategy, data collection, data analysis of the current study are discussed. In addition, reliability and validity of the study are also discussed in this chapter.

4.1. Purpose of the research

The purpose of this study as explained in the introductory chapters is to discover the strategies of a born global firm related to its brands during its growth stages. Hence it can be concluded that in general; purpose of this research is to explore something not been discussed previously in detail therefore the nature of this study is *exploratory* which according to Saunders et al. (2009: 139) is a type of research that deals with the clarification of the problem and study the true nature of the problem that is *ambiguous* and *unknown*. Similarly this research is also an explanatory study which tries to explain the selection of activities (branding strategies) in an organization (born global firm) during its different stages. *Explanatory study* is a study of situation to explain relationship between variables (Saunders et al. 2009: 140). If operational links are required to be traced over time rather than frequencies, then it's a question of '*how*' and '*why*' which are explanatory in nature (Yin 2003). So in brief this study has a dual nature, exploratory and explanatory due to the fact that it tries to explore the selection of branding strategies in a born global firm by explaining its implementation during its different growth stages.

4.2. Research approach

Generally there are two research approaches (1) deductive approach, (2) inductive approach. The general research approach for this study will be deductive. *“Deductive reasoning is a theory testing process which commence with an established theory or generalisation, and seek to see if the theory applies to the specific instances”* (Hyde 2000). *Deductive approach* built the framework of analysis according to the theoretical part by moving from theory to data. It explain the causal relationship between the variables by using structured methodology and may use qualitative or quantitative data and lastly deductive approach emphasize on generalizing the phenomenon for this reason there must be sufficient size of the sample data which can help to generalize the phenomenon. Whereas *inductive research* uses qualitative data and tries to get close understanding of the research context, its more flexible research approach which allows the researcher to make modifications later in the research, it doesn't require huge sample of data, and hence there are less concerns for generalization in this approach (Saunders, Lewis & Thornhill 2009: 124-127). That is why deductive reasoning has been selected for this research study, where first theoretical framework has been developed based on the two different variables and then both variables are examined together.

4.3. Case study research strategy

This study will follow case study research strategy which according to Robson (2002: 178) *“case study is a strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real life context*

using multiple sources of evidence". In other words case study is appropriate for studying real life events such as *organizational* and *managerial processes* (Yin 2003: 2). Case study research strategy suits this study because it is quite useful strategy if the information required in great detail related to any company and this attribute of providing detail information is not being offered by other research methods.

Some other justifications for choosing case study method for this research are that *firstly* it has the ability to answer 'how', 'why', and 'what' type of questions. *Secondly* it can utilize various data collection techniques individually as well as collectively e.g. observation, interviews, questionnaire and documentary analysis (Saunders et al. 2009: 146). *Thirdly* if the purpose of the research is to study a single-case at two or more instances in time in form of longitudinal study then this type of research strategy (case study) can better serve the purpose. *Fourthly* in case of representative or typical research case, where the objectives may be to study the circumstances and conditions of an everyday or commonplace situation then the appropriate research strategy should be the case study, because through case study in-depth analysis of the case under investigation is possible and most importantly the result concluded can be beneficial for the organizations and individuals (Yin 2003).

However despite the good number of positive aspects for case study strategy there have been some weaknesses as well. Case study research strategy *takes long time* and *generates detailed documents*. *Secondly* it lacks *accuracy* and cannot generate accurate results as compare to other scientific research methods and gives *unscientific feel*. *Thirdly* due to the more influence and control of the researcher, case study research is more vulnerable to get *biased views* of the researcher as well as mistakes due to more human control. Lastly because of its

unscientific feel, it's difficult for a researcher to make *scientific generalization* through the obtained results (Yin 2003).

Case study research has three important factors due to which it becomes choice of researchers, 1) research question, 2) the need of control on behavioural events, and 3) the degree of focus on contemporary as opposed to historical events (Yin 2003: 5). The present study suits for the case study research strategy as one of the reasons to choose case study is its research question which is "*how a born global firm utilizes branding strategies in its growth stages?*" and according to Saunders et al. (2009: 139) *how* and *why* questions are best suited for case study research. Therefore due to addressing '*How*' in the research question this study is a best fit for case study research strategy.

Figure 6 illustrates four types of case study strategies in the form of a matrix. These four case study strategies are consists of two salient dimensions 1) *single case vs multiple case*, and 2) *holistic case vs embedded case* (Yin 2003).

	Single Case	Multiple Cases
Single Unit of Analysis (Holistic)	Type 1	Type 2
Multiple Units of Analysis (Embedded)	Type 3	Type 4

Figure 6. Basic types of designs for case studies (Yin 2003: 40).

Type 1: Single case and single unit of analysis.

Type 2: Multiple case and single unit of analysis.

Type 3: Single case and multiple unit of analysis.

Type 4: Multiple case and multiple unit of analysis.

Here it is important to clarify the meaning of holistic and embedded case study.

Holistic case study refers to the situation where there is single unit of analysis, or when there is no subunit selected for analysis and this can be considered as strength of *Holistic case study*, for example an organization as a whole. The weaknesses of holistic case taken as single case study are that it takes the unit of analysis on *abstract level*, hence does not give any concrete measure or data (Yin 2003: 45-46.)

Embedded case studies involve number of different units of analysis, and it can be in a single case study as well as in the multiple case studies. Example of embedded case study is different sub units or departments of an organization. Strength of this case study strategy is that in some situations where the subunit of analysis enhances the insights, it can give significant opportunities for further research and analysis. Whereas the weakness of such case studies is that it focus on the subunit level only and fails to return to the larger unit of analysis (Yin 2003: 45-46.)

This research is based on the single case study whereas the unit of analysis are multiple, so it is *embedded single case study*. Yin (1994) point outs that the focus of single case study should be kept on the main unit of analysis. This research study has two unit of analysis which are 1) branding strategies 2) growth stages of born globals. Whereas the main unit of analysis of this study is branding strategies.

The choice of the selected case company was made from the *existing research* of Gabrielsson (2005: 15). In Gabrielsson (2005) study, branding strategies of 30 Finnish small and medium born global firms including the selected case company *MadOnion* (presently known as Futuremark). Another criterion for selection was that the selected case study was having proper brands and practicing branding strategies as indicated by the Gabrielsson (2005) research, which helped significantly in selecting the case company. If the author had to select a born global firm from other means like through a survey etc, then it might required more time and resources.

4.4. Data collection

There are several data collection techniques that can be used in case study research *e.g. documentation, archival records, interviews, direct observations, participant observation and physical artefacts*, each technique has its advantage as well as drawbacks. However use of each source of data collection when use in combination, compliments each other rather than overcome each other in terms of substituting each other. This is one of the reasons that a good quality case study research will use multiple sources of evidence to increase the credibility (Yin 2003: 85-86).

Interview technique is selected for data collection which has further three types; *Structured Interview, Unstructured Interview, and Semi-Structured Interview* (Yin 2003). However *face to face, semi-structured interview* method was the primary data collection source for this research. Semi-structured interview was the best choice in the current conditions as it suits both exploratory and explanatory

type of research studies, though they are not frequently used in exploratory studies (Saunders et al. 2009: 323). As it's a qualitative case study, *semi-structured interview* method was the data collection process, as it enabled the interviewee to give in-depth details about the phenomenon or processes, hence interview method enabled to collect rich set of data in relatively short time as interviewees are usually found to be more willing to give verbal answers in form of interviews rather than filling of questionnaire (Saunders et al. 2009: 324). Semi-structured interviews have two main characteristics (1) suitable for complex or open ended questions, and (2) where there is variability in the order and logic of questioning is required (Saunders et al. 2009: 324). This nature of semi-structured interviews depicts the flexibility in its approach according to the situation, which went into the favour of both interviewer and interviewee.

The criteria for selecting the interviewee were that the interviewee should have long experience in the selected case company and should have been involved in the company affairs from the initial period of the company. Secondly as the research topic is on branding strategies, therefore the interviewee should have been working at the managerial position and must have been involved in making strategic decisions related to the company brands. The interviewee is in the board of directors of the company, besides that interviewee also holds the brand management position in the company. One face to face, semi-structured interview was conducted from the selected case company. It was took place at the company headquarter at Espoo on 24 November, 2009. The interview lasted for approximately 60 minutes (1 hour). The interview was recorded on the digital recorder, granted by the university for particular purpose. Complete recording of the interview helped to control and minimize the biasness which consequently improves the reliability of the study (Saunders et al. 2009: 339). However it's important to mention here that permission has been taken prior to

the interview for the audio recording of the interview, as it's important from the ethical perspective (Saunders et al. 2009: 341).

Due to the nature of interview and the research, the questions prepared for the interview in the form of *semi-structured questionnaire*, the format couldn't be completely followed and had to change according to the responses given at the time of interview (see appendix). The questions were divided into three main categories. In the beginning general questions about the company were asked. Secondly operational question were asked and then, lastly branding and growth related questions were inquired from the interviewee. An *Interview guide* can be seen in the appendix.

In addition to data collection through interview, secondary source of data has also been considered, internet, company homepage, company annual reports and global financial data reports have also been considered to improve the reliability of the research. Saunders et al. (2009: 268) points out, that one of the benefits of using secondary data in research is that it gives the advantage of collecting data within short period of time, and with less money as compared to primary data.

4.5. Method of data analysis

Data analysis is considered as the most important phase of any research study. According to Yin (2003: 109) it's the "*examining, categorizing, tabulating, testing or otherwise recombining both quantitative and qualitative evidence to address the initial propositions of a study*". However, Saunders et al. (2009: 490) argues that there is

no standardized procedure for analyzing qualitative data because of its diverse nature.

There are two main type of data analysis techniques (1) *Qualitative* and (2) *Quantitative*. However this research will use the *qualitative data analysis* technique. *Qualitative technique* uses *non-numerical data* in data collection and analysis procedures. Whereas *quantitative technique* uses procedures that use *numerical data* while collecting data and its analysis (Saunders et al. 2009: 151). According to Hyde (2000: 3) qualitative methodology explains the phenomenon under study in detail in each context and collection of data is not restricted to the predetermined categories in this type of research, in contrast to this quantitative methodology ignores the details and just describe general characteristics of the elements under study, and it tries to generalize the results obtained over the whole population by ignoring each individual elements being studied. In *qualitative data analysis* researcher draws conclusion by own interpretation whereas in quantitative technique, researcher draws conclusion based upon statistically analyzed numerical data (Cozby 2007).

In brief the justification to choose qualitative methodology is because it gives opportunity to explore the concept under study as compare to quantitative method which can only help in testing the existing theory (Strauss & Corbin 2008). Secondly there is scarcity of research done related to the branding endeavours of born global firms. Hence there is a need to broaden this topic through qualitative research by answering '*How*' question.

In the current study data analysis is done by the use of *pattern matching technique*. In this technique several pieces of information from one or several

cases are linked to prior assumption (Saunders et al. 2009). In this study there are no formulations of assumptions but the theoretical framework developed is compared with the findings in a *pattern*. In this study theoretical framework serves as guidance to explore how Finnish born global firm utilizes its branding strategies during the growth stages. In addition to all this, data analysis has been performed by using *tables* and *figures*. Secondly the interview responses have been directly cited in this study to keep the actual evidence hence enabling the reader to understand the analysis more deeply.

4.6. Reliability and validity of the study

Reliability and validity are two factors which should be given reasonable importance while designing a qualitative case study, because they are linked with analyzing and judging the quality of a qualitative study. According to Yin (1994: 36-37) *reliability* refers to the consistency of the results overtime, which means that same findings and conclusions can be deducted over and over again with the same case under investigation. The main purpose of ensuring reliability in a case study is to minimize the errors and biases in a study. However in order to increase reliability unambiguous questions, should be used for the study. In the qualitative study, reliability should be seen in the light of the unique situation at the time for the study. On the other hand *validity* for a research study is a factor that is not related to any single part (e.g. data collection) of the research but for the entire research study. According to Saunders et al. (2009) *validity* is about ensuring whether the findings are really related to what they appear to be about. Yin (1994) purposed *four types* of validity measures to establish the quality of any social research. For each of the

constructs the definitions are given in the table 6. Whereas tactics related to case study design are given in the form of four tests, and these are given in table 7.

Table 6. Definitions of the four validity tests (Yin 1994 adopted from Kidder & Judd 1986: 26-29).

Tests	Definition
Construct validity	Establishing correct operational measures for the concepts being studied
Internal validity (for explanatory or causal studies only, and not for descriptive or explorative studies)	Establishing a causal relationship, whereby certain conditions are shown to lead to other conditions, as distinguished from spurious relationships
External validity	Establishing the domain to which a study's findings can be generalized
Reliability	Demonstrating that the operations of a study-such as the data collection procedures-can be repeated, with the same result

Table 7. Case study tactics for four design tests (Yin 1994: 33 adapted from COSMOS Corporation).

Tests	Case study tactics	Phase of research in which tactics occurs
Construct validity	<ul style="list-style-type: none"> • Use multiple sources of evidence • Establish chain of evidence • Have key informants review draft case study report 	<ul style="list-style-type: none"> • Data collection • Data collection • Composition
Internal validity	<ul style="list-style-type: none"> • Do pattern-matching • Do explanation-building • Address rival explanations • Use logic models 	<ul style="list-style-type: none"> • Data analysis • Data analysis • Data analysis • Data analysis
External validity	<ul style="list-style-type: none"> • Use theory in single-case studies • Use replication logic in multiple-case studies 	<ul style="list-style-type: none"> • Research design • Research design
Reliability	<ul style="list-style-type: none"> • Use case study protocol • Develop case study database 	<ul style="list-style-type: none"> • Data collection • Data collection

In table 7 case study tactics have been used in the current study to improve the validity of the study. According to Yin (2003: 35) construct validity is the most widely used method to improve the quality of the case studies. As this is an exploratory study, therefore construct validity and external validity are used to

improve the overall validity of the research. Three measures were taken to improve the validity of the present study. Data collection was done from *multiple sources* in order to increase the construct validity of the research. Then the collected data was compiled in form of a report and then sent back to the interviewee for correction in case of errors. Lastly, data was analyzed and interpreted on the basis of *an established theoretical framework*.

The current study has also faced *some threats* to its validity. Due to nature of the study, only *one interview* was conducted from a *single case company*. If there had been number of interviews from different experienced personnel inside the company, the validity could have been improved more. Secondly, *annual reports, reports related to global financial data of the company, company official website, and partner websites*, were the only consulted secondary source of data used in the study. If more data sources have been used the validity of the study could have been stronger. Thirdly, responses in the interview were generated mainly from the past memories, it could be better if some documented proof could be used as support. Lastly there is not much replication of the study present in the current research, and this also affects the external validity of the study.

According to Yin (2003: 37) reliability of the study will be high, if the researcher followed same procedures, describes by the earlier researchers and then conduct the study all over again, the later researcher must then arrive at the same results and conclusions by following the same procedures. The present study can be considered as reliable up to some extent as the questionnaire used for the interview is attached in the appendix and the procedure of data collection has been explained in chapter 4.

The current study has some *reliability threats* as well. As the responses collected in the interview were based on the *memories of the interviewee*, which were not supported by any document and then the responses were *subjectively interpreted* in the results of this study. If interviewer and interviewee are changed then the result of the study would be different.

5. EMPIRICAL FINDINGS

This chapter is related to the empirical findings. In this chapter a Finnish born global firm would be investigated and its branding strategies will be studied with respect to different growth stages.

5.1. Introduction to the case company

Futuremark Corporation formerly known as MadOnion, is a true born global company founded in 1997 with a vision to fulfil high end 3D graphics benchmarks in the pc industry (Futuremark homepage). *Futuremark Corporation is actually a spinoff from a game developer company 'remedy entertainment' (interviewee).* Its head quarter is in Espoo, Finland whereas its subsidiary is located in Silicon Valley, USA. Futuremark is also present in Asia, having a sales office in China. Futuremark has several sales and distribution partners in different countries around the world and selling in approximately 26 countries of the world (Futuremark homepage).

"Futuremark is selling its products globally, its main buyers are located in USA, Germany, France, The Netherlands, United Kingdom, Taiwan, Korea, Japan and China". (Interviewee)

Futuremark Corporation is one of the fastest growing companies in Finland. It has won numerous awards within few years after its inception including, *RedHerring Hot-100 EMEA winner* in 2006 and in 2005. It was the 85th most

rapidly growing technology company in Europe according to Deloitte's Technology Fast 500 study (Futuremark's homepage.)

“Futuremark first product was 3DMark99 and it was build together with our hardware partners Intel, AMD, Microsoft and so on” (Interviewee).

Futuremark Corporation has three core strategic business units which are (a) Futuremark game studio (b) PC products and services, and lastly (c) Mobile and embedded. Figure 7 demonstrates the core business units of the selected case company.

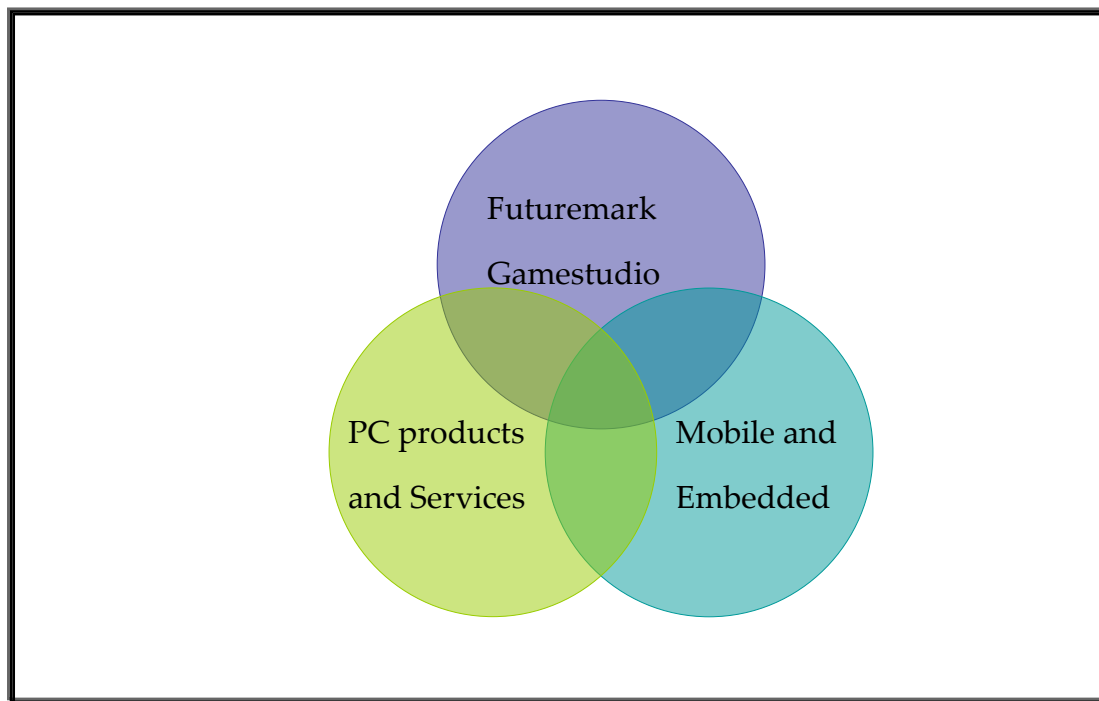


Figure 7. Futuremark core business units (adapted from Futuremark's homepage).

a) Futuremark game studio

Futuremark Games Studio has recently developed its first game title, known as *Shattered Horizon*. It's a first-person shooting game based on zero gravity combat with complete freedom of movement. It will develop more interesting games in the future for its customers. Besides Futuremark plans of game development it has a online advisory service which is connected to its Game Studio and hence a subunit of its game studio called *Yougamers*. Its purpose is to provide analysis on feel and performance of different game scales across wide ranges of PC hardware configurations from the minimum specifications stated by the game publisher to the top-end systems. Futuremark actually test each game across a wide range of hardware and then make their recommendations so that the customers can find the best balance between the gaming experience and the hardware requirements and hence in this way adds value to its customers experiences (Futuremark's homepage).

b) PC products and services

Futuremark core business unit is PC products and services. This unit develops applications for the computers and games. It basically deals with the graphical performance and overall performance of the computers and develops benchmarking tools for the assessment of its performance.

"In PC Product and services business unit we are working both in business and consumer sectors. We are developing benchmark tools with the industry and for the industry and then we have the consumer aspect we are selling benchmark software's to enthusiastic consumers" (Interviewee).

Futuremark PC Product and services unit has produced the world famous 3DMark and PCMark benchmarking applications and some other related online services. It has the privilege to serve world's leading chip companies, PC brands, component manufacturers, independent PC media, and, millions of consumers as its customers.

c) Mobile and embedded

This unit concentrates on providing tools and utilities to mobile and embedded sector in the industry sense (B2B).

“We are mainly dealing in business sector in mobile and embedded sector and are providing performance tools and utilities for this industry” (Interviewee).

It engages in benchmark software development and licensing to 3D graphics IP companies, chip manufacturers, cell phone and other handheld device manufacturers and wireless network operators. Growing part of the business is licensing of content creation tool chain for automotive, cell phone and embedded industries.

5.2. Born globalness of Futuremark

Futuremark Corporation is truly a born global firm. It's been founded as a result of a spinoff from an already established Finnish firm known as Remedy Entertainment (parent firm) to fulfil a need in the evolving PC industry. It was

founded by few creative individuals who had quite strong vision, were well experienced in their fields and most importantly were dedicated.

“Finnish game developer Remedy Entertainment (parent company) did its first 3D benchmark as a custom project for a Dutch Publishing house which ended in a big success and at that time there was huge demand for new benchmarks, and at that time Remedy International was already focusing on producing its first game and decided at that time that doing more benchmarks is not their core focus but there was huge business in that niche segment. So in this way few guys from the remedy entertainment decided to setup their own company and to fulfil that niche” (Interviewee).

Futuremark Corporation is a true born global company which right after its inception started to expand internationally. It started the branding and internationalisation process right after its establishment. Presently Futuremark is getting its sales from all over the world from its global demanded products. Its main buyers are located in *United States, Europe* including *France, Germany, The Netherlands* and *United Kingdom*, whereas in *Asian* continent its sales are coming from *China, Taiwan, Korea* and *Japan*. The definition of Born global firm as defined in chapter1 fits with the selected case study profile and history i.e., *“a business organization that from inception seeks to derive significant competitive advantage from the use of outputs in multiple countries”* (Oviatt & MacDougall 1994: 49). Futuremark possesses certain characteristics that entitled it as true born global the detailed for such characteristics are here under;

Vision

Born global firms have global vision from inception. Almost all of the founders of born global firms have global vision from inception (Rialp et al. 2005). Futuremark Corporation had been founded on the basis of a global vision as the founders already anticipated a need of niche in the benchmark industry in the information technology industry (pc products and telecommunication sectors).

“Our initial vision was to be able to provide wide range of global users, tools and services that would help them to buy correct type of hardware for their needs. We focused on one segment at that time and then later broaden ourselves in this field” (Interviewee).

The company started from a small narrow business segment i.e. tools and services for pc users in the gaming industry but then also broadened itself quickly in the same information technology industry by moving itself into mobile and embedded industry, and gaming industry.

Founders/Entrepreneurs

Entrepreneurs are the ones who possess a strong, long term, broad vision for a company to make it global and they are the people who show their managers a clear roadmap on how to drive the company towards rapid internationalization in the global market. Entrepreneurs of born global firm’s possess special skills, capabilities, and background that are not usually found in the traditional firms founders.

“Futuremark first CEO didn’t have any technical background so in that sense the company had a pure Entrepreneurial start-up but as it was a spinoff of a existing company, so technical expertise and business contacts were available at that moment but few months after the establishment of the company we got couple of founders that had good technical background in the 3D Graphics and computer hardware” (Interviewee).

Home market

For born global firms, domestic or national market doesn’t have much significance. They usually have small local market not due to their country of origin but due to their globally demanded products.

“.....our products have great international demand that’s the reason we are selling more internationally as compare to our local market” (Interviewee).

According to Madsen and Servais (1997) companies that are located in small domestic market have more capability to become born global as compare to firm with big domestic market. Futuremark Corporation has small target market in its home country Finland. Futuremark have found more potential for its hi-tech innovative I.T products in USA, Asia and the rest of Europe then just in Finland.

Time to internationalize

Rapid Internationalization has great importance in the born global phenomenon. Born global firms usually start to internationalize very quickly from its inception (Chetty & Campbell-Hunt 2003). One of the most important criteria mentioned in the literature for the companies to be considered as born global firm that it should achieve the internationalization within 2 years of its inception. In addition to this Born global firms should export at least 25% of their sales within 3 years of inceptions, but it should be done within 3 years since its establishment (Knight & Cavusgil 1996). Futuremark Corporation is comfortably meeting these criteria and has achieved more than *30% of its global sales, within 3 years of its inception*. Since 1997 to 1999, Futuremark achieved total global sales of € 226,039,319 which is surely quite higher than its domestic sales as Futuremark global sales are approximately more than *50% of its total sales* at the moment. It started its first project with an international client and then continued to sell its services to different international and global clients rapidly.

“Our company first project was with a Dutch publishing house and since then we are having more global projects than the local projects” (Interviewee).

Pace of internationalization

Finland is a *small hi-tech export* country with a population of about approximately *5 million* inhabitants (CIA Factbook 2010). It's quite usual from such small hi-tech exports based economy to produce born global firms from its small economy, which is due to their immense global potential; such firms can't

or do not find enough demand from their own domestic market and that's why they opt for international and then global market.

Futuremark corporation global demanded products helped it to adapt rapid internationalization in the global market. The company experienced rapid increase in its sales each year since its inception, and within 3 years of its inception, the company had been successful in achieving more than 26% of its net sales from all over the world. It started internationalization in its very first year of inception, in fact its first sales after inception was outside Finland, which was with a Dutch client. Within 10 years of its inceptions Futuremark has tremendously achieved rapid internationalization by meeting all of its sales targets comfortably. Futuremark not only succeeded in getting increased sales within its first 10 years but also maintained the rate of increasing sales in the whole world. Illustration of Futuremark's 10 years of sales data is given in table 8.

Table 8. Futuremark Corporation 10 years of sales data (adapted from Futuremark Annual Reports 1997-2007 and its Global Financial data).

Years	Net sales (€) Approximately	Sales from Europe (€)	Sales from USA (€)	Sales from Asia (€)	Approximate Percentage Increase in sales outside Home Continent (Asia and USA)
1997	11 937	11 937	..	--	--
1998	20 713	15 902	3132	1679	23%

1999	85 347	63 111	15047	7189	26%
2000	19 0636	99 281	41013	15703	30%
2001	682943	45 0743	141698	90502	34%
2002	14 40615	90 7625	408132	124858	37%
2003	16 10 232	95 0037	438272	221923	41%
2004	16 26 111	95 9406	436311	230394	41%
2005	17 01 543	95 2865	468476	280202	44%
2006	18 11 233	99 6179	483810	331244	45%
2007	26 40 124	134 6464	791268	502392	49%

Table 8 clearly depicts Futuremark rapid internationalization history in a decade. During the first 3 years of survival, Futuremark Corporation not only successfully survived itself but penetrate into other continents of the world i.e., Asia and United States. One of the condition to be eligible as a born global firm is that the firm should get at least 25% of its sales from outside its continent within the period of 3 years after the inception, which Futuremark Corporation successfully achieved by improving its sales figures in Asian countries, as well as USA. After the first 3 years of inception, Futuremark continued to strive for new market development and maintained steady developments in the company sales. During this process of getting more customers, Futuremark didn't forget its home continent customers and hence continued to penetrate more in the European markets. Rapid Internationalization of Futuremark is evident, from

its total sales figures. It started its business in 1997 from approximately 12000 euros and then after a decade in the year 2007 the company's total sales were 2,640,124 euros. Futuremark begun its first sales from Europe and then in the very next year it expanded into other continent of the world. After Europe the second biggest sales clients of Futuremark's hi-tech I.T products are in United States.

Futuremark has been continuously striving to maintain rapid pace of internationalization. As described earlier, the company started to internationalize very quickly after its inception. Each year Futuremark sales figures increased outside its home continent and within 10 years Futuremark successfully took the sales figures to approximately 49% of its overall sales.

“Our products have global demand and are well recognized in the I.T industry all over the world. That is the reason we are getting more than half of our total sales from outside Europe” (Interviewee).

Strategic focus

Born global are niche focused firms with hi-tech specialized products. Their hi-ended products usually have more global demand then local that is the reason they engage with multiple markets worldwide swiftly after their inception (Rialp et al. 2005). Futuremark Corporation is developing specialized hi-tech products for the computer, mobile phones, automotive and other sectors. Their main business is in 3D graphics programming.

“Futuremark is focused in state of the art 3D graphics programming” (Futuremark’s homepage).

One of the main business strategies of Futuremark is to create unique products for its customers by producing value added products.

“Our passion is to create unique things that are of value” (Futuremark’s homepage).

Networking

Futuremark Corporation has strong relationships with its business partners and has been quite successful in building strong network with them. In order to strengthen the relationships with its partners and to build strong network, the company has affiliated itself with two prominent industry groups namely, *Khronos Group* and *Symbian*. By involving itself into such network building activities, Futuremark not only strengthens strategic and business relationships with its partners, but also benefits in terms of knowledge sharing.

“To participate in different discussion groups held by different companies help us significantly. It is for our benefit as well to have well defined standards that makes sense and also participating in this work, allow us to have an early insight into the future this way we can get insight of industry standards and about what’s in the pipeline and where the technology is evolving” (Interviewee).

Illustration of Futuremark's networking aspect is given in the form of 2 examples here under;

Khronos group

Consists of several companies which are dedicated in creating open standard APIs to enable the authoring and playback of rich media on a wide variety of platforms and devices. In this group all the members contribute to the development of different open applications specifications and have power to vote at different stages before the final application deployment, which helps accelerate the delivery of their cutting-edge 3D platforms and applications through early access to specification drafts and conformance tests (Khronos homepage).

Being the member of Khronos group, Futuremark has contributed towards the development and implementing the technology. Its product "3DMarkMobile06" has greatly helped Khronos and mobile phone industry (Futuremark's homepage.)

"We participated in the new API (application programming interface) versions and specifications for the mobile and embedded sector, actually we have assigned our technical personnel to participate in the meetings and discussions, hence contributed in the joint effort to improve the API's. In this way everybody that participated share his or her knowledge. Its more like a public domain kind of work or a joint business venture so the end result benefits all the participating companies and beyond" (Interviewee).

Symbian

This is yet another example of Futuremark's networking aspect. Symbian Foundation is mobile phone operating system foundation. It develops licensed software's and operating system for the telecommunication industry (Symbian homepage). Futuremark has contributed in this foundation by the help of its products *3DMarkMobile06* and *SPMark04* which have significantly helped the foundation to develop optimized operating system in compatible with the mobile phones hardware (Futuremark's homepage).

5.3. Futuremark growth stages as a born global

Futuremark Corporation through different growth stages during its internationalization process. The detail of each stage is here under.

Introduction stage

Futuremark came into existence by identifying a niche in the high end graphics benchmark sector.

“When the first graphic accelerator started to appear in the international market, at that moment there was a simple demand that how will the consumer and media can compare these different products, which is better than which and that was a difficult problem at that time, so having a tool available to all was the first solution” (Interviewee).

During their introduction stage of growth, Futuremark started from a small entrepreneurial organization with very limited access to resources. Futuremark

was short in human resources, and had very less financial capacity. The main motivation behind the Futuremark existence was the possession of *unique knowledge* and *technology* on the basis of which the company developed its products and after sometime it collaborated to get the technical assistance of some of the industry leading players that helped the firm to meet the industry standards comfortably. Futuremark due to its newness in the industry and at this very first stage of growth was not so much able to penetrate into international markets.

According to Gabrielsson (2008: 391) born global firms don't have enough capabilities to market the product on international scale, therefore they select and build channels and networks to establish relationship with other customers. This was what Futuremark exactly started to do right after the first year of its inception. It started to make relationships with some of the industry leading players like *Intel*, *AMD*, *API*, *Microsoft*, *HP* etc. It is worth to mention that Futuremark first sale was itself an international project and it started the internationalization phase right from the first year of inception, but that was not enough for the survival and sustenance of a small medium size company.

Growth stage

Futuremark Corporation possesses products which are unique in nature, and have global demand. Futuremark has experienced rapid internationalization during its endeavours to reach global markets. The company rapidly capture the untapped Asian and American markets and established itself in such challenges areas in very short time. The company has been successful in

increasing approximately 49% of its overall sales from outside its own home continent (Futuremark's global financial data).

Futuremark Corporation kept its rapid pace of internationalization after the first 5 years of its inception and established itself into American and Asian continents. Futuremark established its main sales offices in China and United States in order to better serve the needs of its respective business clients and the other regular customers. Futuremark Corporation allocated its different technical personnel to participate in different discussion groups, primarily for knowledge sharing and networking with the industry key players. This way helped the company a lot to get the industry insight and updates of the best practices.

“Participation in different discussion groups held by different companies help us significantly in research and development and taking other strategic decisions. It is for our benefit as well to have well defined standards that makes sense and also participating in this work, allow us to have an early insight into the future this way we can get insight of industry standards and about what's in the pipeline and where the technology is evolving” (Interviewee).

It is evident from Futuremark annual reports (1997-2001) and its global financial data (1997-2007) that the company enjoyed rapid increase in the sales due to its internationalization. It tried to capture sufficient amount of market share from the graphics and gaming industry. During this process of earning revenues the company did not ignore the research and development and continue to develop and improve its brands. One of the evidence related to efforts in research and development can be seen by looking at the number of 3DMark versions that the

company introduced with the passage of time and the primary reason for introducing several versions was the company efforts in understanding and satisfying its customer's needs through research and development.

Breakout stage

Futuremark Corporation has not reached to this stage yet and still considered to be dependent and quite young firm. However there is no doubt in its Born Globalness. It has achieved rapid internationalization up till now and has successfully met all the conditions that are necessary to be considered as a born global company. Global financial crisis which started from the year 2007 has also affected Finland, and due to which Finland overall exports have been slowed down (Bank of Finland 2009). Futuremark Corporation has also become the victim of global financial crisis slowly and gradually, the company overall sales did affect due to which its overall growth and pace of internationalization slowed down, for this reason the company dependency on the other firms and partners didn't affected and still the same. *"We are seeing the affects of global economic crisis, our PC Products and service business unit has not been doing so well, but there are some signs of improvement and we hope that we will be able to reach more markets in the future"* (Interviewee). Figure 8 demonstrates the internationalization process timeline of the Futuremark Corporation.

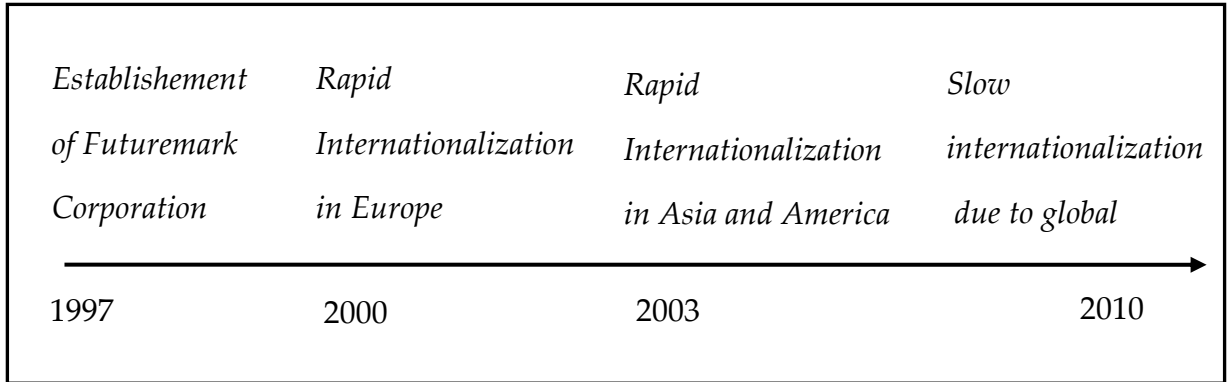


Figure 8. The internationalization process timeline of Futuremark Corporation.

5.4. Futuremark decision steps for branding

Futuremark Corporation has passed through the brand decision process at the time of its inception. The brand decision process by Onkvisit and Shaw (2001) is quite limited in its scope. One of the weaknesses of Onkvisit and Shaw (2001) brand decision process model is that it does not give information about other branding strategy alternatives and instead presents only three branding strategies options. However for the purpose of this study it's been adapted and presented in figure 8, with the addition of product brand strategy alternative. Futuremark brand decision process is represented in the highlighted portion of Figure 8.

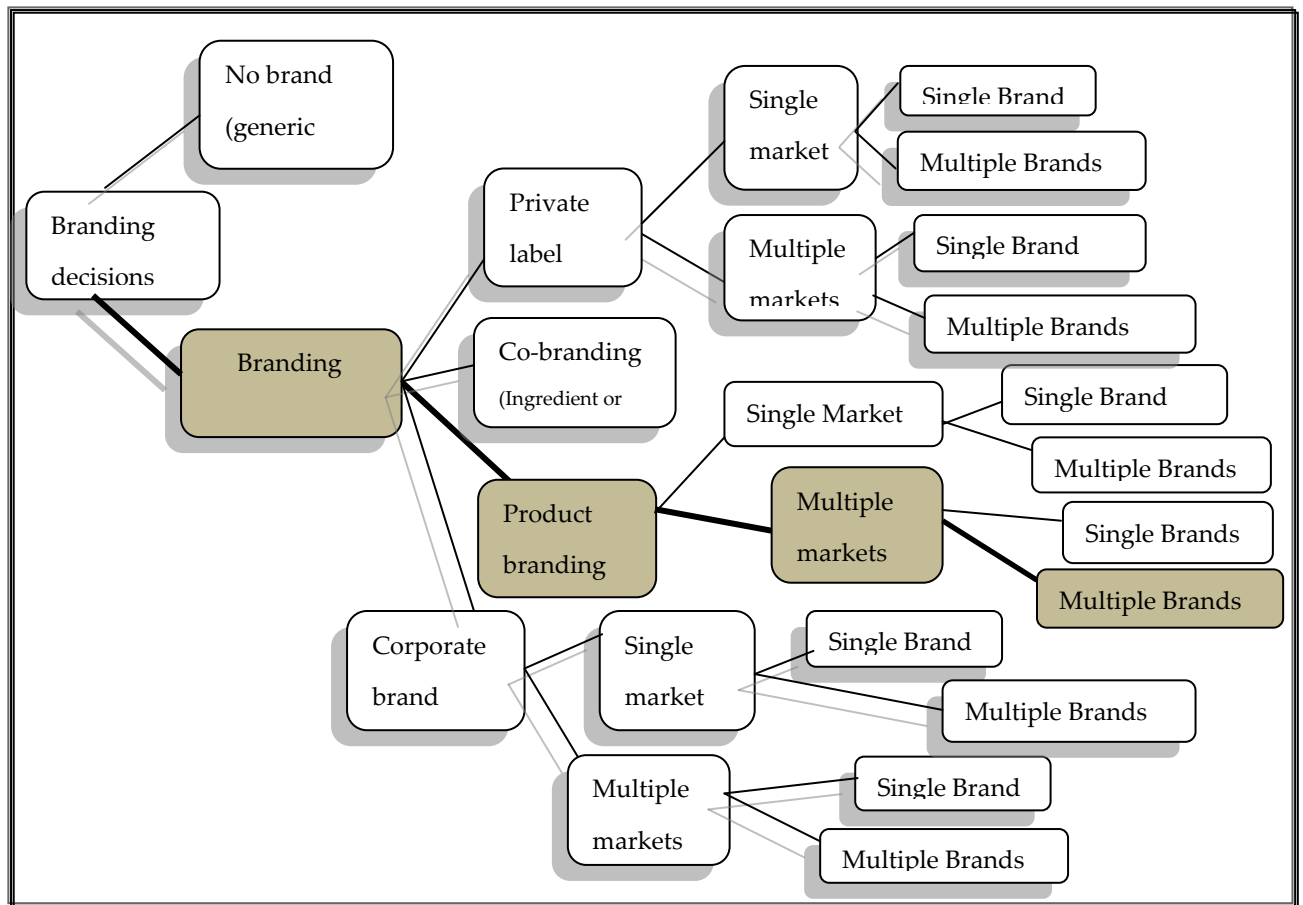


Figure 9. Futuremark's brand decision process (adapted from Hollensen 2007: 441).

Figure 8 above firstly represents the decision related to brand or not to brand, secondly it gives some main branding strategy alternatives, thirdly it gives decision choices related to selection of number of markets to enter, and lastly it presents decision options for the selection of number of brands to be used by the company. Futuremark Corporation decided to brand its products right at its inception. Each brand has different identity and has been given exclusive positioning. Futuremark management put efforts to build their brands and

introduced them into the international markets and with the passage of time Futuremark kept on introducing new brands in the market.

“We have proper brands in our company, we have registered trademarks, and our top brands including PCMark, 3DMark, Peacekeeper, Mobile Mark, Shattered Horizon are registered properly along with our company name. 3DMark and PCMark are the most popular brands and have sufficient brand equity” (Interviewee).

5.5. Core brands of Futuremark

Though Futuremark Corporation has number of brands in its portfolio, some of them are known as *3DMark*, *PCMark*, *Shattered Horizon*, *Peace Keeper*, *Mobile Mark*, and various other but in such a short history of around 11 years, the company has been able to develop couple of successful brands, which enabled the firm to internationalize in the global market rapidly under great international competition. *3DMark* and *PCMark* are considered to be the most popular and hot selling brands of Futuremark. Discussion related to both of them is here under;

3DMark

3DMark is a pc benchmark suite that has been designed to test performance of user's graphics card. It's the most popular brand of Futuremark and has a successful history of more than 10 years. 3DMark actually evaluates the user's system performance and produces a score to show the customer's performance for 3D gaming capabilities, which are usually based on comprehensive real time

3D graphics and processor tests. The full range of 3DMark products ranges are 3DMark99, 3Dmark99 MAX, 3DMark2000, 3DMark2001, 3Dmark2001 SE, 3DMark03, 3DMark05, 3DMark06 and 3DMark Vantage. Futuremark uses the latest 3D technology in every new edition of its 3DMark brand to provide objective and forward looking measurements for real world performance (Futuremark's homepage).

One of the benefits of 3DMark is that one can compare scores of millions of other customers systems and can benchmark its system performance by making it easier for the customers to choose the most effective and efficient hardware upgrades or finding other ways of optimizing their systems (Futuremark's homepage.)

The computer industry, press, media, as well as individual users and gamers have widely used 3DMark brand to compare the performance level between overall systems and even their particular components (Futuremark's homepage)

“3DMark, the name has long history; it has established itself as a de-facto term for graphic benchmarking. Now when someone mention 3DMark to enthusiast or gamer, he or she can easily recognized it. We have established it as a strong brand” (Interviewee).

Futuremark has also introduced 3DMark mobile, which is yet another extension of its main 3DMark brand. Futuremark develops 3D benchmark software for mobile devices. It basically evaluates the graphics performance of mobile 3D hardware. It is being used on the development of hardware to assist in product

development process, design evaluation and for mobile hardware media reviews of next generation devices (Futuremark's homepage).

PC Mark

PC Mark is the name of another benchmarking brand that is used to determine the performance of personal computers by evaluating its strength and weaknesses. It's quite handy and user friendly tool. It gives useful suggestions to its customer in the form of optimal upgrades related to the computer and can also give suggestions to buy new personal computer according to ones specific needs (Futuremark homepage). Futuremark released two extended versions of this brand namely, *PC Mark05*, and *PC Mark Vantage*.

"It has a smaller scale with short history, short target customers. It's a late addition to our benchmark portfolio and it's not widely recognized yet" (Interviewee).

5.6. Brand architecture and branding strategies of Futuremark

Being a born global firm, Futuremark Corporation management adapted simplicity in the overall brand architecture and one of the main reasons for this adaptation was to achieve strategic flexibility. According to Rialp et al. (2005) born global firms are quite flexible in their approach and can adapt quickly against the changing external conditions.

“Our company’s overall brand portfolio represents simplicity, logic, and clarity” (interviewee).

It’s evident by analyzing the Futuremark brand portfolio that the company has adapted product brand architecture for its brands. Being a born global firm, small and medium type of firm, product brand architecture rightly fits with the Futuremark Corporation objectives and strategies. Futuremark top management crafted separate brands to attract and meet the needs of its customers from the niche market of computer graphics around the world. Although the company has established three different business units but still the brand architecture is quite simple and clear. Due to simplicity in *product brand architecture*, the company has not included wide range of products in its range and have adapted simplicity and clarity between its product portfolios. Futuremark main brands are *3DMark*, *PCMark*, *Shattered Horizon*, *Peace Keeper*, and *Mobile Mark*. The company released several versions of 3DMark and PCMark with the passage of time in order to better manage the customers’ needs.

Each brand of the company represents a separate identity with separate features. Futuremark’s main branding strategy under the product brand architecture is Product brand strategy, which is common in all the three of its business units. According to Xie and Boggs (2006) product branding is the strategy of building separate brand identities for different products. Futuremark has positioned each of its brands exclusively by differentiating each brand from one another. Each of its brands has different name and features. Due to this product branding strategy all of the Futuremark brands possess a unique position and occupies a different segment in I.T Industry.

“We are not the price leaders, but we are emphasizing on providing better quality products with innovation, differentiation, and smart pricing” (interviewee).

5.7. Branding strategies with respect to firms growth stages

As discussed above that due to the requirement of flexibility and clarity, Futuremark Corporation management opt for the product brand architecture for the overall business. The company passes through different stages of growth since its inception and hence it also has to implement the branding strategies for its two core brands 3DMark and PC Mark, according to the situation, objectives, strategy and most importantly brand architecture. The discussion related to 3DMark and PC Mark branding strategies with respect to different growth stages of the company is here under;

3DMark’s branding strategy

3DMark is the most popular or widely known brand of Futuremark. It was first released in 1998. It has enjoyed a successful history of more than a decade. Due to the nature of business, it’s been crafted to cater the needs of graphic lovers, particularly 3D gaming users so that they can get maximum performance out of their system and games.

“3DMark, the name has a long history, the name has established itself a de facto term for graphics benchmark and now when somebody mention 3DMark to any enthusiast or gamer is usually well recognized, and this has just happened on its own throughout

years by us providing these excellent tools and software's to the users, and we are now seeing that 3DMark has a very strong brand equity'' (Interviewee).

Futuremark Corporation released several versions of its most popular brand 3DMark. It was first released as 3DMark99, which had very limited performance capabilities as compared to the later releases.

''3DMark has a unique position in the market, and we are providing it with unmatched superior quality and performance which has strong recognition all over the world, and with the passage of time we have released several versions of it in order to exceeds our customers' expectations and to meet the standards of advance technology'' (interviewee).

Futuremark Corporation had a clear brand strategy for 3DMark since its establishment. The company selected a very simple and logical name for its brand which depicts clarity for the target customers. 3DMark the brand name itself is self explanatory and indicates the features of three dimensions (3D) benchmarking (mark) from its name. Later versions of 3DMark including 3DMark99, 3DMark99-MAX, 3DMark2000, 3DMark2001, 3DMark2001 SE, 3DMark03, 3DMark05, 3DMark06 and 3DMark Vantage also reflected the same attributes but with more enhancements and quality. All the different versions of 3DMark which the company introduced, reflects the efforts of company to satisfy its customers requirements through gradual enhancements and improvements in its product. It is worth to mention here that the firm has used standardization approach in offering 3DMark in the global market. 3DMark has been crafted with standardized pricing, almost same features in each extended version, and same usage requirements (system requirement to run the application). 3DMark core features have remained the same since its introduction and the company inception which clearly depicts a standardized

approach from Futuremark. In table 9 branding strategy related to 3DMark can be seen with respect to the case company growth stages.

Table 9. 3DMark branding strategy with respect to growth stages.

Growth Stages	Introduction	Growth	Breakout
Firm Characteristics	<ul style="list-style-type: none"> • Survival • Limited Resources • Channel Building 	<ul style="list-style-type: none"> • Research and Development • Focus on marketing and positioning • High Returns 	Has not reached yet
3DMark Core Features	<ul style="list-style-type: none"> • Test gaming capability of consumer the system and benchmarks its performance with other systems. 	<ul style="list-style-type: none"> • Enhancements in the basic functionalities in form of new versions according to the customers and technology requirements. 	Not applicable yet

Brand Characteristics	<ul style="list-style-type: none"> • Individual identity • Innovative • Exclusive positioning among other brands 	<ul style="list-style-type: none"> • Individual identity • Innovative • Exclusive positioning among other brands 	Not applicable yet
Brand Strategy	Product brand strategy	Product brand strategy	Not applicable yet

Table 9 shows the utilization of branding strategy at different stages of firm growth. The table 9 above lists the firm characteristics in each of its growth stage, then it presents the core features of 3DMark brand in each growth stage of the company, after that there is a list of brand characteristics that 3DMark has exhibited in each growth stage and the last column presents the selected branding strategy for 3DMark.

Futuremark selected product brand strategy under the product brand architecture for its prime brand. The company positioned 3DMark as a unique brand with an exclusive place in the I.T market. Its main attribute include *real time 3D Graphics*, and that's what the main foundation of this brand. Futuremark Corporation rapid internationalization success lies in meeting and exceeding the expectations of its customers by providing timely additions or extensions of its main brand which came with the rapidly changing gaming and graphics industry standards or requirements. Futuremark management kept the

same strategy up till the present, due to the fact that the product is innovative and needs innovation with the changing industry requirements. Product brand strategy for 3DMark allows the company and the brand manager to adapt flexibility by focusing only on the particular brand. Due to this reason Futuremark Corporation on reaching its growth stage introduced the mobile version of 3DMark, known as 3DMark Mobile which was developed to tap the needs of mobile phone industry users, who wanted high graphic performance on their devices. Now as the company is in its growth stage, Futuremark Corporation has recently introduced a competition for its users with the name *life of a benchmarker* to celebrate 3DMark's 10 years achievement as a brand and to give rewards to its most up to dated and loyal customers (Futuremark homepage).

Futuremark and its most important brand 3DMark have not reached to the breakout stage yet, and still dependent on the other channels and firms for the future development in technology.

PCMark's branding strategy

Futuremark introduced PCMark brand as a tool to evaluate the user's computers performance and lists all the weaknesses and strong points of the machine in an analytical way, in fact PCMark comprises of different test suits to analyze the performance of a computer system. It lists the optimal updates for the existing computer and even it can give options about the new computers according to the customer requirements (Futuremark homepage). The difference between 3DMark and PCMark is that the later evaluates and

benchmarks only the 3D Performance of a system whereas former evaluate only the performance of one's computer overall hardware. PCMark has been crafted with standardized pricing, almost same features in each of its extended version, and same usage requirements (system requirement to run the application). PCMark core features have remained the same since its introduction and the company inception which clearly depicts a standardized approach from Futuremark. In table 10 branding strategy related to PCMark can be seen with respect to the case company growth stages.

Table 10. PCMark branding strategy with respect to growth stages.

Growth Stages	Introduction	Growth	Breakout
Firm Characteristics	<ul style="list-style-type: none"> • Survival • Limited Resources • Channel Building 	<ul style="list-style-type: none"> • Research and Development • Focus on marketing and positioning • High Returns 	Has not reached yet
PCMark Core Functionality.	<ul style="list-style-type: none"> • Test the performance of computers, gives suggestions for optimal upgrades and benchmarks its 	<ul style="list-style-type: none"> • Enhancements in the basic functionalities in form of new brand versions according to the customers 	Not applicable yet

	performance with other systems.	and technology requirements.	
Brand Characteristics	<ul style="list-style-type: none"> • Individual identity • Innovative 	<ul style="list-style-type: none"> • Individual identity • Innovative 	Not applicable yet
	<ul style="list-style-type: none"> • Exclusive positioning among other brands 	<ul style="list-style-type: none"> • Exclusive positioning among other brands 	
Brand Strategy	Product brand strategy	Product brand strategy	Not applicable yet

Table 10 shows the utilization of branding strategy at different stages of firm growth. The table 10 above lists the firm characteristics in its different growth stages, then it presents the core features of PCMark brand with respect to different growth stage of the company, after that there is a list of brand characteristics that PCMark has exhibited in each growth stage and the last column presents the selected branding strategy for PCMark.

“PCMark itself is a very young brand and does not have a long history as compared to 3DMark, but there is no doubt in PCMark’s growing publicity among the media, public, target customers and in the whole I.T industry” (Interviewee).

It is important to note that PCMark brand is a young recently introduced brand and has not long history, which is due to the reason that Futuremark Corporation decided to launch this brand when it found itself in the growth

stage and had sufficient overall customer base. It is evident by analyzing the company's data that PCMark has got sufficient amount of customers but the brand has not been a hot selling brand as compared to 3DMark, however it's an important addition to the Futuremark's brand portfolio and fits with its overall business.

Similar to 3DMark brand strategy, *product brand strategy* seems to be the selected and implemented branding strategy for PCMarks as well. According to the product attributes, branding strategy for PCMark has been crafted by Futuremark management in a very simple and logical manner which again depicts the clarity for the target customers. The brand name PCMark, explicitly conveys the meaning of benchmarking the performance of personal computers of the customers. The name of the brand itself recalls the customers its features and core functionality. Recently introduced versions of PCMark includes, PCMark05, and PCMark Vantage which reflects the same brand attributes but with more enhancements in features and in the overall performance quality. The currently utilized product brand strategy will be further carried by the company in next growth stage as it's seems to be the company overall strategy with its current brands under the selected product brand architecture, as it suits the company overall objectives, organizational structure, and rapidly changing external environment.

6. SUMMARY AND CONCLUSIONS

In this chapter the summary and conclusion of the current study is presented. Firstly summary of the study is given in terms of answering the research question and objectives. Secondly conclusions are drawn based on empirical findings and previous research. In addition, managerial implications, limitations of the study, and recommendations for future research are also given as part of conclusions.

6.1. Summary

The current study presents branding aspect in born global firm. The current study gives attention to the branding strategies and growth stages of born global firm. The main topic of the current study is: branding strategies of born globals, and the main research question of this study is to explore “*how a born global utilizes branding strategies during its growth stages?*”. In order to answer this research question three main objectives have been discussed in the study which are presented with the discussion in a summarized form here under.

The **first objective** is to define born global concept and different growth stages of born-global firm.

Born global firms are special kind of firms that behave differently than traditional firms in terms of internationalizations and growth stages. The definition of born global firm is “*a business organization that from inception seeks to derive significant competitive advantage from the use of outputs in multiple countries*”

(Oviatt & MacDougall 1994: 49). A firm must achieve at least 25% of its total sales outside its home continent and this should be evident within 3 *years* of its inception to be declared as born global firm (Knight & Cavusgil 1996).

Born global firms have several characteristics and are identified as small size firms, have internationally experienced entrepreneurs, insufficient human and financial resources, have small domestic markets, niche focused strategic moves, unique products, and innovate.

Born global firms passes through three distinguish growth stages that are introduction, growth and breakout. Introduction stage is the stage where a born global strive for its existence in presence of limited resources. During growth stage born globals earns high returns, do research and development, and put efforts in marketing and positioning. During breakout stage they enter into their maturity with high returns and experience in the field of marketing.

Second objective is to identify the brand decision process and to study different types of branding strategies.

Brand is a name, term, sign, symbol, or design or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors (Kotler 2006). A company can have several benefits in case it decided to brand its offerings. For international branding a firm must consider different factors before promoting its brands in the international markets.

In order to succeed in branding, implementation of an appropriate branding strategy is quite essential. For international markets branding provides a better support to the firm offers. Branding also protects innovation and innovative offerings of a company by providing them better positioning opportunities and better returns.

Implementation of branding strategy in an efficient manner can only be possible if the company lays out a strategically fit plan for its potential offers. Onkvisit and Shaw (2001) proposed brand decision process which gives several alternatives in context of brand decisions. However Onkvisit and Shaw (2001) brand decision process model also possesses some weaknesses.

Brand architecture is a way through which firm can organize, manage and offer their brands in the market. There are different brand architectures presented in the literature. Branding strategies must be implemented according to the chosen brand architecture of the company. Corporate brand architecture and strategy is used where there is a need to focus on corporate values and image through branding. Whereas Product brand architecture and strategy is used where there is need of exclusive identities. It's a flexible approach as there is separate brand name and exclusive positioning. It's a suitable approach for innovative companies but considered to be aggressive. Corporate and product brand architecture is another type of architectures where corporate values are reflected in the brands. Umbrella brand strategy can be used under the corporate and product architecture and in this strategy parent brands serves as an umbrella to all of its products. Endorsing brand strategy is also another strategy that can be used under the corporate and product architecture, in this strategy there is reflection of corporate dominance in all brands or range of

brands. Source brand strategy is yet another strategy that can be classified under the corporate and brand architecture. It is different from Endorsing brand strategy in terms of naming the brands. Another branding strategy that can be classified under the corporate and brand architecture is Line brand strategy as in this branding strategy firm can offer different products in a single offer. Dual brand architecture and strategy is used where the firm combines two brands in one offer. Mixed brand architecture and strategy is used in complex situations and in this approach different brand architectures are used with different strategies according to the situation requirements. Private labelling is a different type of branding in which manufacturer brand is sold by another company under its own name. By using this approach a firm can get rapid entry into different markets.

Third objective is to *empirically explore branding strategies of a Finnish born global during its growth stages.*

In order to fulfil the third objective Futuremark Corporation was selected as a case company. Futuremark is a true born global firm and expanded very rapidly in the global markets due to its innovative brands. The firm is getting sales from all over the world and its main buyers are located in Asia, Europe and America. It has been successful in achieving more than 25% of its total sales from outside its home continent. It has been involved in branding since its inception. Futuremark decision steps for branding is quite similar to the brand decision model suggested by Onkvisit and Shaw (2001) except that Futuremark adopted product brand strategy for its brands other than the branding strategies alternatives suggested by Onkvisit and Shaw (2001). Although Futuremark currently possesses number of brands in its portfolio in its short

history, however it has been successful in developing couple of strong core brands which are 3DMark and PCMark.

Futuremark as a born global possesses all the attributes that are present in born global firm. It had been founded on the basis of global vision by its founders. Entrepreneurs of Futuremark possess special skills and background, which helped the firm a lot in its internationalization and branding endeavours. Futuremark possess small domestic market for its innovative and hi-tech products. The firm's pace of internationalization has been quite rapid since its inception which is important for a born global firm (Chetty & Campbell-Hunt 2003). That is why Futuremark *global sales is more than 50%* at the moment and this has been achieved only within 10 years of small history. This higher sales and rapid internationalization is due to its niche focused strategy and unique value added offerings for its customers. Futuremark is also involved in making strong relationship with its partners and big industry players. It is affiliated with two prominent industry groups through which the firm not only gets knowledge sharing benefits but also strategic advantages.

Futuremark has passed through introduction and growth stage. During Introduction stage the firm had very limited human and financial resources but despite of this fact the company kept collaborating with some of the industry big names. During the second growth stage the firm's introduced several enhancements in its existing brands in form of new versions and secondly it also introduced new brands by the help of continuous research and development. During the second stage Futuremark experienced rapid increase in its overall sales. Futuremark Corporation has not reached to breakout stage

as its not been able to kept the pace of its rapid internationalization, one of the major reason was *global financial crisis* of 2007.

Futuremark Corporation has adopted *product brand architecture* and *product branding strategy* for its brands which is mainly due to its global nature of business and small size. Futuremark is operating in the global markets and cope the changing business environment, the company adopted *flexibility* and *simplicity* in its business by keeping the brand architecture and branding strategy according its business requirements.

The company has not changed its branding strategy yet and found to be *consistent* with the utilization of *product brand strategy*. However if the firm had decided to change its branding strategy then it could have serious implications on the overall organization. If the firm had changed its branding strategy during any of its growth stage then it could also have to change *the brand architecture*.

3DMark is the most famous and hot selling brand of Futuremark. Its tests the *gaming and graphic capability* of the systems and benchmark its performance with better systems. *3DMark* several versions have been released up till now by the company, and which was mainly due to the customer requirements and changing technology. Its positioning is exclusive among other market brands. The brand currently lies in the company's *growth stage* and has supported the firm *rapid pace of internationalization* and *international sales* significantly.

PCMark is yet another *newly* introduced brand of Futuremark. It does not possess a *long history* as compared to *3DMark* but it has been successful in

attracting sufficient amount of customers, however it is not a hot selling brand as compare to 3DMark. PCMark as a brand has also been promoted in the same manner as 3DMark. It also has a *unique position* in the market. PCMark test the performance of a customer system and give suggestions for *optimal upgrades* as well as *benchmark its performance* with other systems. The product brand strategy has also been implemented on PCMark and it has been introduced and currently present in the *growth stage* of the firm.

6.2. Conclusions

This section will conclude the present study. Some of the main *characteristics of born global* are discussed by Rialp et al. (2005), Knight and Cavusgil (2004), Chetty and Campbell-Hunt (2003) and Madsen and Servais (1997). Though *growth stages* of small and medium firms have been discussed in general by several authors but Gabrielsson et al. (2008) have explained the growth stages specifically in the context of *born globals*. *Brand decisions* have been described from Onkvisit and Shaw (2001) as they have explained it in the context of born global firm. Lastly *brand architecture* and *branding strategies* have been discussed *theoretically* by several authors including Kapferer (2008), Gabrielsson (2005), Urde (2003), Douglas et al. (2001) and others. In addition to this branding strategies and brand architecture are discussed in connection with each other. Comparison between theory and findings are done in table 11.

Table 11. Comparison between theory and empirical findings of the study.

Theoretical Framework (prior research)	Theory in existing literature		Empirical results Y/N	
Born global Characteristics (Rialp et al. 2005; Knight & Cavusgil 2004; Chetty & Campbell-Hunt 2003; Madsen & Servais 1997)	Entrepreneurship		Y	
	Global vision		Y	
	Rapid Internationalization		Y	
	Small home market		Y	
	Niche focused strategy		Y	
	Specialized products		Y	
	Networking		Y	
Brand decisions (Onkvisit & Shaw 2001)	Brand	no brand	Y	N
	Standardization	adaptation	Y	N
	Single market	multiple markets	N	Y
	Single brand	multiple brands	N	Y
Brand architecture and branding Strategies (Kapferer 2008; Gabrielsson 2005;	Corporate brand architecture		N	
	• Corporate branding strategy		N	
	Product brand architecture		Y	
	• Product brand strategy		Y	
	• Range brand strategy		N	

Urde 2003; Douglas et al. 2001; Laforet & Saunders 1994)	Corporate and product brand architecture	N
	• Umbrella brand strategy	N
	• Source brand strategy	N
	• Endorsing brand strategy	N
	• Line brand strategy	N
	Dual brand architecture	N
	• Co-branding strategy	N
	Private brand architecture	N
	• Private labelling	N
	Mixed or hybrid brand architecture	N
	• Mixed or hybrid branding strategy	N
Growth stages of	Stage 1: Introduction	Y
born global (Gabrielsson et al. 2008)	Stage 2: Growth	Y
	Stage 3: Breakout	N

Y: Similarity present in theory and findings, N: Dissimilarity found in theory and findings.

Table 11 shows main elements of theoretical framework and then compare their respective elements from theory and empirical findings in the form of empirical

results. There are several elements from the theoretical framework that are found to be similar in the empirical findings. *Firstly* characteristics of born global are presented and it is clear that all the *characteristics of born global* mentioned theoretically are found to be present in the case company which shows that the selected case company is a true born global. *Secondly*, when it comes to the *branding decisions* or choices between the brand decisions, a sort of *dissimilarity* is found. The case company has decided to brand with *standardization* in its offerings and selling its number of brands into several different international markets. *Third factor* is *brand architecture and branding strategy* and there are number of *branding strategies* which have been mentioned in the theoretical framework but only one element (branding strategy) is found to be similar in the empirical finding and that is *product brand architecture* and *product brand strategy*. Lastly *growth stages* of born global are discussed. Theoretical framework presented 3 different growth stages of born global whereas in the empirical finding the case company is found to pass through only 2 growth stages. In other words *introduction* and *growth stages* are found to be similar in theoretical and empirical, whereas *dissimilarity* is found in the *breakout stage* between theory and finding.

This study enables to understand the born global firm *utilization* of branding strategies during its growth stages. The empirical finding of this study is an effort to analyze a *Finnish born global* firm and its *branding strategies* by examining its two main brands. *Selection of branding strategies* is highly important especially for a firm of *small size, with insufficient human and financial capital*, and which is expanding rapidly into the global markets. It is interesting to see that *Futuremark* chooses *product brand architecture* and *product brand strategy* for its brands. Due to the nature of rapid internationalization it is quite

essential for a born global firm to expand into the international markets with proper strategies. If a born global firm does branding for its offerings then there should be a propagation of *consistent image* and this can only be done if such a firm adopts strategy that is *less risky* in the changing global environment, *more flexible, simple*, and which can support *innovation*. This is the *secret* of Futuremark success in the global markets. Figure 10 shows the conclusions related to the findings of the present study in a summarized form.

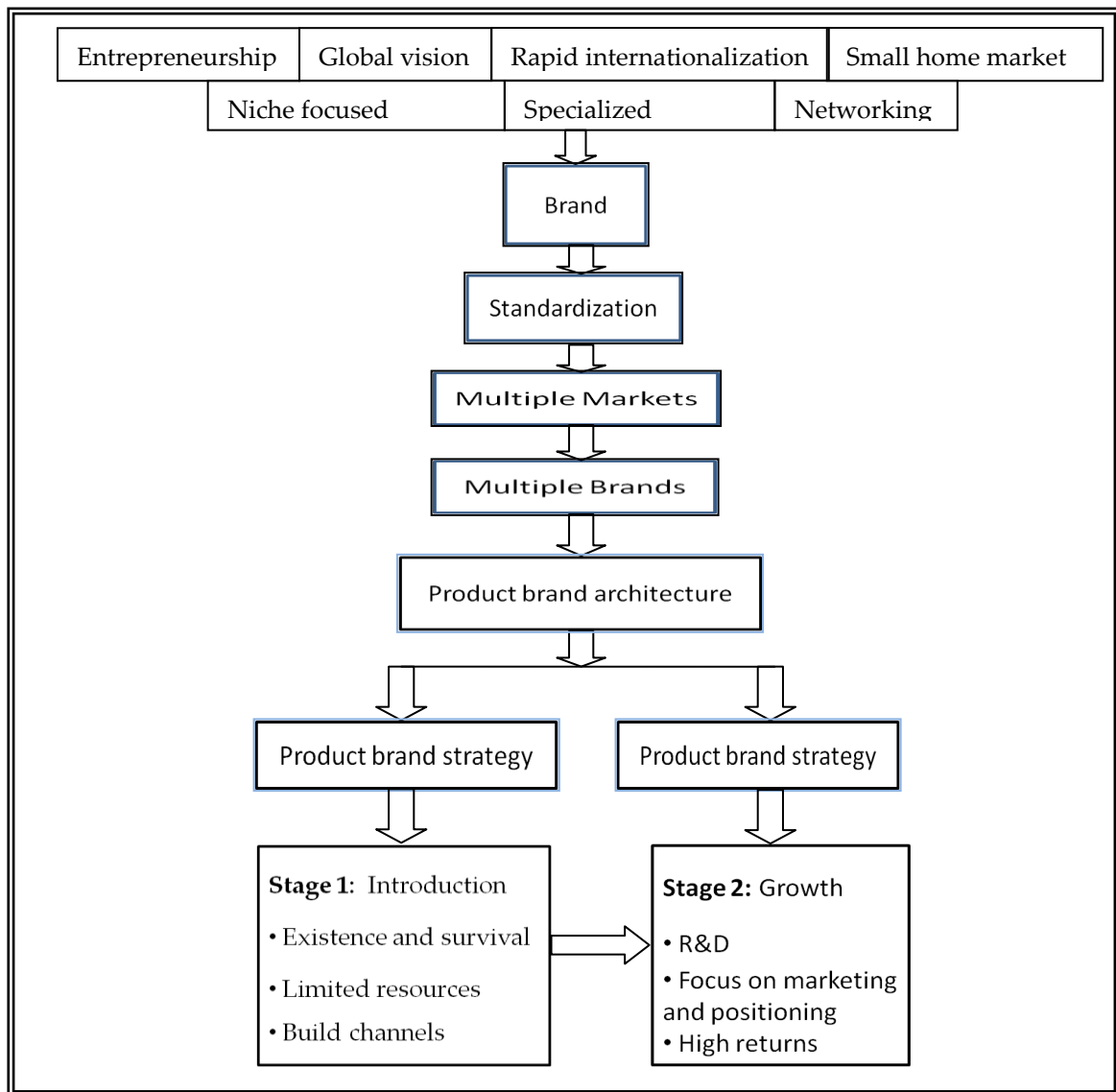


Figure 10. Summary of the conclusions.

Figure 10 is illustrating the summary of the conclusions. Firstly it presents different characteristics of Futuremark Corporation as a born global firm. Secondly it gives the brand decisions steps which the case company took. Thirdly it shows that selected branding strategy of Futuremark Corporation is product brand strategy which the company selected in its introduction stage and then the same branding strategy remains consistent during the growth stage because if the firm had decided to change its branding strategies in the later stages, then it could also have to change the whole brand architecture of the firm which could certainly affect the whole organization financially and operationally. In addition to this the company might have to re-consider its vision and objectives. Another conclusion can be drawn from this case study that a firm which involves in the internationalization process should select the branding strategy very carefully and once the branding strategy is selected it should be remain consistent unless the firm face enormous challenges or threats for its survival.

The company adopted a strategy that fits well with *the company vision* and overall *objectives* and promoted *consistent image* throughout, with *flexibility* in operations, but it is also true that a *single strategy* may not always work in all situations, so a firm must choose that branding strategy which suits well for the *overall business strategy* (vision, mission and objectives), as well as the company *external* (global competition, etc) and *internal situation* (size of the company, etc).

Finland's information technology has been in *tremendous boom* in the recent past due to this fact internationalization and overall business had grown rapidly, and that is why this particular *information technology* industry has seen emergence of *several born global firms*. Futuremark enjoyed *rapid*

internationalization and high revenues mainly due to its innovative offerings, visionary and experienced entrepreneurs, global vision, rapid internationalization, international orientation, customer oriented strategy, standardized products, relationship and network building approach and over that it remained consistent with the brand strategy selection which improved its image and brands equity.

Limitations of the research

The present study has possessed some limitations as well. Firstly the current study is based on a *single case study* which is certainly not enough for generalization of the concept. Secondly the born global concept is quite new in the internationalization literature and *the present born global research* is quite limited particularly related to growth stages and branding strategies of born globals. Thirdly, the research on *branding strategies* and *brand architectures* is also scarce and *different* opinions in literature are hard to find in detail. Fourth limitation is related to the selected case company itself and that is, Futuremark Corporation is still a *young firm* and has *only 12 years* of experience as a born global and it has been successful in building only couple of important brands in this short history. Fifth limitation is that this study is only based on a *technology based* single born global firm of Finland and this aspect can also affect the generalize-ability of the firm.

Suggestions for the future research

This research was focused on a *Finnish born global firm* and its *branding strategies* during its *growth stages*. It would be interesting to research the branding strategies of different born global firms of different origins. This study has been conducted on only a single European company therefore *Asian, American, and Australian born globals* study on the same research line would be significant contribution in the present internationalization literature. Beside study on born global branding strategies on *service industry, industrial goods* and *fast moving consumer goods* should also be done. Another suggestion could be related to the study of *environmental factors* that can influence a born global firm decision regarding its branding strategies. Lastly as the present study has focused only on *managerial perspective* of branding strategies and their implementations, therefore future research should study the affect of born global branding strategies on *consumer and business* and should take their point of view.

Managerial Implications

The present study focus was a Finnish born global and its branding strategy during its growth stages. It tried to exemplify a *successful* born global firm branding endeavours while internationalizing rapidly. The research findings suggest few best practices for the managers. The finding suggests that the brand managers should *carefully select* the branding strategies according to the company *internal and external situation*. Branding strategy should be selected according to the *pre-decided brand architecture* of the company. Managers should not confuse with their *branding strategy* with the *business strategy* and should

always distinguish between the two, however branding strategy should always be made in accordance with the *business strategy* of the firm and there should be *no deviation* among them.

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APPENDIX. Interview guided questionnaire

Company name and address_____

Interviewee's name _____

Interviewees' position in the company_____

Interview date and place_____

Section A. General Information about the company**1- Please tell me about the company and its history?**

Founders

Idea behind the company and its products

Personnel/HR

2- What was the vision of your company at the beginning?

International/Global

Section B. Operational questions related to the company**3- How can you define your company business?**

Types or number of business units

Explanation about each business unit

4- When & how your company started its first international operation?

Exports

Joint agreement with parties/companies (Joint Venture)

5- Do you customize your products for your customers?

All products or few products?

For all customers or for few customers?

For all markets or for few markets?

6- How your company is dealing with the global competition?

Differentiation

Competitiveness (technology)

Innovation

Quality

Rapid growth/development

7- How do you see your company relationships with other organizations (partners)?

Supplementary competencies

Joint ventures/technology cooperation

Business development

Joint marketing

Research and development

Dependency level on other organizations

8- What is the situation of your company sales?

Internationally (EU) and Globally

9- Which major actions you have taken to improve the company global sales until now?

Website activities

Own company outlets

Exhibitions

Contests

Section C. Branding and growth stages related questions

10- How many brands do you have in your company?

Role of each brand

Concept of each brand

Connection/relationship between brands

11- What is the marketing concept behind your company's products?

Idea Positioning,

Target customers

Target markets

12- How did your firm develop the brands? (history of brands)

With the passage of time (2-10 years), stepwise

Which actions taken to build brand equity

Awareness

Marketing and promotion (Media)

Any major structural or conceptual change in brands so far
(why)

13- Do you sell your brands under other company name? (Private labeling OEM etc)

How your brands are serving other companies?

14- Do corporate values reflect in the firm brands? (Corporate Branding)

Which corporate values?

Sharing of values with products?

Up to what extent?

Explicitly or Implicitly?